

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

**PWR Holdings Limited**

ABN / ARBN:

**105 326 850**

Financial year ended:

**30 June 2017**

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

This URL on our website: <https://www.pwr.com.au/corporate-governance-policies>

The Corporate Governance Statement is accurate and up to date as at **24 August 2017** and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 24 August 2017

Name of Director authorising lodgement: Teresa Handicott, Chairman

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<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement  ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):  <input checked="" type="checkbox"/> <a href="http://www.pwr.com.au/wp-content/uploads/2.8.6_PWR-Holding-Ltd_Board_Charter_2-1.pdf">http://www.pwr.com.au/wp-content/uploads/2.8.6_PWR-Holding-Ltd_Board_Charter_2-1.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/7_PWR-Holding-Ltd_Diversity_Policy_3-1.pdf">http://www.pwr.com.au/wp-content/uploads/7_PWR-Holding-Ltd_Diversity_Policy_3-1.pdf</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/2.8.8_PWR-Holding-Ltd_Nomination_Remuneration_Committee_Charter_2-1.pdf">http://www.pwr.com.au/wp-content/uploads/2.8.8_PWR-Holding-Ltd_Nomination_Remuneration_Committee_Charter_2-1.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the 2017 Directors' Report, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual report">https://www.pwr.com.au/annual report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> A summary of our board skills matrix can be found in our corporate governance statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> at in the Directors' Report for 2017, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual report">https://www.pwr.com.au/annual report</a></p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> at in the Directors' Report for 2017, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual report">https://www.pwr.com.au/annual report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/5_PWR-Code_of_Conduct-and-Business-Ethics_3-1.pdf">http://www.pwr.com.au/wp-content/uploads/5_PWR-Code_of_Conduct-and-Business-Ethics_3-1.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/2.8.7_PWR-Holding-Ltd_-_Audit_Risk_and_Compliance_Committee_Charter_2.pdf">http://www.pwr.com.au/wp-content/uploads/2.8.7_PWR-Holding-Ltd_-_Audit_Risk_and_Compliance_Committee_Charter_2.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Directors' Report for 2017, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual_report">https://www.pwr.com.au/annual_report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/4_PWR-Holding-Ltd_Continuous_disclosure_policy_3-1.pdf">http://www.pwr.com.au/wp-content/uploads/4_PWR-Holding-Ltd_Continuous_disclosure_policy_3-1.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="https://www.pwr.com.au">https://www.pwr.com.au</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/6_PWR-Holding-Ltd_Shareholder_Communications_Policy_3-1.pdf">http://www.pwr.com.au/wp-content/uploads/6_PWR-Holding-Ltd_Shareholder_Communications_Policy_3-1.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/2.8.7_PWR-Holding-Ltd_-_Audit_Risk_and_Compliance_Committee_Charter_2.pdf">http://www.pwr.com.au/wp-content/uploads/2.8.7_PWR-Holding-Ltd_-_Audit_Risk_and_Compliance_Committee_Charter_2.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Company's 2017 Directors' Report, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual-report">https://www.pwr.com.au/annual-report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>		<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in the Company's 2017 Directors' Report a copy of which has been with ASX and is available on our website: <a href="https://www.pwr.com.au/report">https://www.pwr.com.au/report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/3_PWR-Holdings-Ltd_Nomination_Remuneration_Committee_Charter_Adopted-25-September-2015.pdf">http://www.pwr.com.au/wp-content/uploads/3_PWR-Holdings-Ltd_Nomination_Remuneration_Committee_Charter_Adopted-25-September-2015.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at in the Company's 2017 Annual Report, a copy of which has been lodged with ASX and is available on our website: <a href="https://www.pwr.com.au/annual_report">https://www.pwr.com.au/annual_report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.pwr.com.au/corporate-governance-policies">https://www.pwr.com.au/corporate-governance-policies</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.pwr.com.au/wp-content/uploads/8_Securities_Trading_Policy_3-1.pdf">http://www.pwr.com.au/wp-content/uploads/8_Securities_Trading_Policy_3-1.pdf</a></p>	<p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable</p>



# *PWR HOLDINGS LIMITED*

## Corporate Governance Statement for the Year ended 30 June 2017

The governance measures adopted by the board of directors of PWR (“**Board**”) reflect the Board’s endorsement of the recommendations contained in the ASX Corporate Governance Council’s Principles and Recommendations, 3rd edition, 2014 (the “**Principles**”). This Corporate Governance Statement discloses the extent to which PWR complies with the Principles and if it does not, why not.



Principle 1 - Lay solid foundations for management and oversight				
1.1	The Board has outlined in the Board Charter, the Board’s roles and responsibilities and has established a clear distinction between its functions and those delegated to management.		✓	
1.2	Appropriate checks including criminal record checks have been carried out on all Board members prior to their appointment. PWR will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings.		✓	
1.3	All directors and senior executives have a written agreement with PWR setting out the terms of their appointment.		✓	
1.4	PWR’s Company Secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.		✓	
1.5	The Board has adopted a Diversity Policy (a copy of which is on PWR’s website) and the following measurable objectives:		✓	
	<b>Measurable Objectives</b>	<b>FY17 Actual</b>		<b>FY20 Target</b>
	Increase the percentage of women in Executive Management over the next 3 years	Nil		Greater than or equal to 1
	Measure the percentage of women across the PWR Group and determine appropriate 3 year targets to increase female representation at PWR	11%		20%
	Focus on developing and implementing policies and procedures that promote gender diversity within the PWR Group, including: (a) a remuneration framework and policy around reward and recognition (b) development of recruitment and selection processes that promotes diversity and maximises the pool of potential candidates (c) provide training and development opportunities, flexible work, and salary arrangements (d) leading a no-tolerance approach to discrimination, victimisation and harassment in the workplace (implemented and continuously monitored)	(a) Achieved and implemented (b) Policy in place (c) 15% applicant pool females (d) Achieved through EEO training and code of conduct		(a) Policy in place (b) Policy Effective (c) 25% applicant pool females (d) no incidents of discrimination, victimisation and harassment in the workplace

Dated: 24 August 2017

PWR complies with the Principle	✓
PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	⊙



<b>Principle 1 - Lay solid foundations for management and oversight</b>		
1.6	At least once per year the Board will, with the advice and assistance of the Nomination and Remuneration Committee, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives. The requirement for these evaluations is set out in the Board Charter. The Board has undertaken a review of its performance and an assessment of the effectiveness of the Committees during the year.	✓
1.7	Performance reviews for the Managing Director and senior management take place at least annually. The Nomination and Remuneration Committee has accountability in its Charter to oversee these reviews and report to the Board on their outcomes. Appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.	✓

<b>Principle 2 - Structure the board to add value</b>		
2.1	<p>The Board has formed a Nomination and Remuneration Committee. The charter for the Nomination and Remuneration Committee is available on PWR’s website. Membership of the Nomination and Remuneration Committee is:</p> <ul style="list-style-type: none"> <li>○ Teresa Handicott (Nomination and Remuneration Committee Chairman, independent, non-executive director)</li> <li>○ Jeffrey Forbes (Independent, non-executive director)</li> <li>○ Roland Dane (Independent non-executive director)</li> </ul> <p>In March 2017, PWR’s then Chairman, Bob Thorn resigned and the Board appointed Teresa Handicott as its Interim Chairman. At that time, the Board also considered Ms Handicott’s position of Chairman of the NRC. The Board considered it appropriate for Ms Handicott to remain as Chairman of the NRC while she also undertook the role of Interim Chairman of the Board given Ms Handicott’s experience in senior executive remuneration policy and the small number of independent directors on the Board of PWR.</p>	✓

Dated: 24 August 2017

PWR complies with the Principle	✓
PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	⊙



**Principle 2 - Structure the board to add value**





2.2	<p>In establishing the Board of PWR, regard was had to the skills and expertise required of the directors relevant to PWR’s business. Directors with the desired skills and expertise were carefully selected for appointment to the Board. The Board has since undertaken a review of its skills and experience aligned to the strategic direction of PWR and determined it has a complementary mix of skills to oversee the business.</p> <p><b>Skills Matrix</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Skills and Experience</th> <th colspan="3" style="text-align: center;">No of Directors</th> </tr> <tr> <th style="text-align: center;">Foundational</th> <th style="text-align: center;">Competent</th> <th style="text-align: center;">Expert</th> </tr> </thead> <tbody> <tr> <td><i>Strategy</i></td> <td style="text-align: center;">-</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Analysis of Financial Statements</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Risk Management</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Corporate Governance</i></td> <td style="text-align: center;">-</td> <td style="text-align: center;">4</td> <td style="text-align: center;">-</td> </tr> <tr> <td><i>Executive Leadership</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Information Technology and Governance</i></td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Organisational Change</i></td> <td style="text-align: center;">-</td> <td style="text-align: center;">3</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Strategic Human Resource Management</i></td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Commercial and Business Experience</i></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">3</td> </tr> <tr> <td><i>Legal Experience</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td><i>Automotive and/or Engineering</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Motorsport</i></td> <td style="text-align: center;">2</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Developing and commercialising New Technologies</i></td> <td style="text-align: center;">2</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2</td> </tr> <tr> <td><i>Retail Experience</i></td> <td style="text-align: center;">1</td> <td style="text-align: center;">-</td> <td style="text-align: center;">3</td> </tr> </tbody> </table>	Skills and Experience	No of Directors			Foundational	Competent	Expert	<i>Strategy</i>	-	2	2	<i>Analysis of Financial Statements</i>	1	1	2	<i>Risk Management</i>	1	1	2	<i>Corporate Governance</i>	-	4	-	<i>Executive Leadership</i>	1	2	1	<i>Information Technology and Governance</i>	2	1	1	<i>Organisational Change</i>	-	3	1	<i>Strategic Human Resource Management</i>	2	1	1	<i>Commercial and Business Experience</i>		1	3	<i>Legal Experience</i>	1	2	1	<i>Automotive and/or Engineering</i>	1	1	2	<i>Motorsport</i>	2	-	2	<i>Developing and commercialising New Technologies</i>	2	-	2	<i>Retail Experience</i>	1	-	3	
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PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	




**Principle 2 - Structure the board to add value**

2.3	<p>The Board Charter sets out the criteria adopted by the Board for considering if a director is independent. A majority of the Board consists of independent directors. The Board is comprised of four members, three of whom are independent (Teresa Handicott, Jeffrey Forbes and Roland Dane). PWR recognises the importance of having a majority of the Board as independent directors and this was instrumental in determining the membership of the Board.</p> <p>Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of PWR. Jeffrey Forbes, Teresa Handicott and Roland Dane are considered independent as none of them has a material shareholding in PWR or is an advisor or supplier to PWR or has any other material contractual relationship with PWR other than their position as a director.</p>	
2.4	The Board is comprised of four members, three of whom are independent, namely Jeffrey Forbes, Teresa Handicott and Roland Dane.	
2.5	The Chairman is an independent director and facilitates the effective contribution of all directors at Board meetings. The roles of Chairman and Managing Director are exercised by different individuals.	
2.6	<p>All non-executive directors have had an extensive induction into the business of PWR prior to accepting their appointment and have received continuing information on PWR and its operations since being appointed. The induction process has included site visits and presentations by management.</p> <p>Directors are also given access to continuing education in relation to PWR extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.</p>	



**Principle 3 - Act ethically and responsibly**

3.1	The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on PWR’s website.	
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**Principle 4 - Safeguard integrity in corporate reporting**

4.1	<p>The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on PWR’s website. The Audit and Risk Committee is comprised only of independent non-executive directors. Its composition being:</p> <ul style="list-style-type: none"> <li>○ Jeffrey Forbes (Chairman, independent, non-executive director);</li> <li>○ Roland Dane (Independent non-executive director); and</li> <li>○ Teresa Handicott (independent non-executive director)</li> </ul>	
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Dated: 24 August 2017

PWR complies with the Principle	
PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	



<b>Principle 4 - Safeguard integrity in corporate reporting</b>		
	The relevant qualifications and experience of the members of the Audit and Risk Committee are set out in the Director’s biographies under the Board tab on PWR’s website and will be updated in each reporting period.	
4.2	The Board of PWR requires and has received declarations and management representations in respect of the financial records and information of the business from the CEO and CFO for both the half-year and full-year results	✓
4.3	PWR’s external auditor will be requested to attend the AGM and make themselves available to answer questions from shareholders relevant to the audit.	✓

<b>Principle 5 - Make timely and balanced disclosure</b>		
5.1	The Board has established a written Continuous Disclosure policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The Continuous Disclosure policy is on PWR’s website.	✓

<b>Principle 6 - Respect the rights of Shareholders</b>		
6.1	PWR has a website which provides information about it, the directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between PWR and the shareholders. <a href="https://www.pwr.com.au/">https://www.pwr.com.au/</a>	✓
6.2	PWR has an investor relations program to facilitate effective two-way communication with investors and has regular one on ones with investors, undertakes roadshows after release of the half and full year results and maintains an up to date website that contain information about PWR and its business	✓
6.3	The Board has adopted the Shareholder Communication policy and will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the shareholder is able to attend.	✓
6.4	All shareholders of PWR will be able to communicate with PWR and its share registry electronically and in fact this method of communication is encouraged.	✓

Dated: 24 August 2017

PWR complies with the Principle	✓
PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	⊙





<b>Principle 7 - Recognise and manage risk</b>		
7.1	The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on PWR’s website. The Audit and Risk Committee is comprised only of Independent Non-executive Directors. Its composition being: <ul style="list-style-type: none"> <li>○ Jeffrey Forbes (Audit and Risk Committee Chairman, independent, non-executive director)</li> <li>○ Roland Dane (Independent non-executive director)</li> <li>○ Teresa Handicott (independent non-executive director)</li> </ul>	
7.2	The risk management framework for PWR been reviewed by the Board. The Board has appointed the Audit and Risk Committee to assist it with discharging its oversight function in respect of material business risks and to determine if the system of risk management is sound.	
7.3	PWR does not have an internal audit function. The Board is of the view that it is not cost effective to have an internal audit function at this point in time given the size of the business and the fact that PWR is not a complex operation. This decision will however be kept under review. The Board works with management to review the management assurance function, to provide assurance to the Board on the effectiveness of internal controls and to recommend improvements to those controls. Where necessary independent third parties are requested to undertake audits of specific parts of the business.	
7.4	The material risks that PWR is exposed to are disclosed in the Directors’ Report. Management of the risks forms part of the risk management framework requested by the Board which includes reports to the Audit and Risk Committee and the Board on risk mitigation plans and actions.	

<b>Principle 8 - Remunerate fairly and responsibly</b>		
8.1	The Board has formed a combined Nomination and Remuneration Committee. Membership of the Nomination and Remuneration Committee is: <ul style="list-style-type: none"> <li>○ Teresa Handicott (Chairman, independent, non-executive director);</li> <li>○ Roland Dane (Independent non-executive director); and</li> <li>○ Jeffrey Forbes (Independent, non-executive director).</li> </ul> A copy of the charter for the Nomination and Remuneration Committee is provided on PWR’s website.	
8.2	The Board has adopted a remuneration policy for non-executive directors, a copy of which is on PWR’s website	
8.3	PWR requires participants in the performance rights plan to not enter into transactions which limit the economic risk of their participation in that scheme and this requirement is set out in the Company’s Securities Trading Policy, a copy of which is on PWR’s website.	

Dated: 24 August 2017

PWR complies with the Principle	
PWR intends to comply with the Principle and will work towards compliance in the 2018 financial year	