

## Appendix 4G

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

Name of entity:

NRW Holdings Ltd

ABN / ARBN:

95 118 300 217

Financial year ended:

30 June 2020

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://nrw.com.au/about-us/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 June 2020 and has been approved by the Board.

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

Date: 23 October 2020

Name of Director or Secretary authorising lodgement: Kimberley William Hyman

<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 <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a> ... 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"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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
1.3	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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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
1.4	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 <b>OR</b> <input type="checkbox"/> at [insert location]	<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 Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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>
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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at page 3 of the 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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	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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> at pages 2 - 3 of the 2020 Annual Report</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>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at pages 2 - 3 of the 2020 Annual Report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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 <b>OR</b> <input type="checkbox"/> at [insert location]	<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 <b>OR</b> <input type="checkbox"/> at [insert location]	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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
<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"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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>[If the entity complies with paragraph (a):]</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><input checked="" type="checkbox"/> at page 3 of the 2020 Annual Report</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at pages 2 - 3 of the 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at page 32 of the 2020 Annual Report</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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 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"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</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 checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a>	<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"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<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 <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at page 3 of the 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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><input type="checkbox"/> at [insert location]</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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:  <input checked="" type="checkbox"/> in our Corporate Governance Statement  <input checked="" type="checkbox"/> at page 11 of the 2020 Annual Report</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input checked="" type="checkbox"/> at page 30 of the 2020 Annual Report</p>	<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 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><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://nrw.com.au/about-us/corporate-governance/">https://nrw.com.au/about-us/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at page 3 of the 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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	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>... 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"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> at page 18 - 27 of the 2020 Annual Report</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 pages 18 - 27 of the 2020 Annual Report</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 do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <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>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## NRW Corporate Governance Statement

The Board of Directors (**Board**) of NRW Holdings Limited (**NRW or Company**) is responsible for the Corporate Governance of NRW and its subsidiary companies (**Group**). The Board governs all matters relating to the strategic direction, policies, practices, management and operations of the Group with the aim of protecting the interests of shareholders and other stakeholders, including employees, clients and suppliers, and creating value for them.

The ASX Corporate Governance Council's (**Council**) "Corporate Governance Principles and Recommendations 4th Edition" (**Principles and Recommendations**) articulates eight core corporate governance Principles, with commentary about implementation of those Principles in the form of Recommendations.

Pursuant to ASX Listing Rule 4.10.3, NRW is required to disclose the extent to which it has followed the recommendations during the reporting period. Where a Recommendation has not been followed, the fact must be disclosed, together with reasons for departure from the Recommendation and what, if any, alternate governance practices it adopted in lieu of the Recommendation during that period. In addition, a number of the Recommendations require the disclosure of specific information in the corporate governance statement.

NRW's Corporate Governance Statement is current as at 30 June 2020 and has been approved by the Board. It is structured with reference to the Council's Principles and Recommendations and should be read in conjunction with the 2020 Annual Report.

### ASX Corporate Governance Council's - Principles and Recommendations

Recommendation		Comply Yes / No
<b>Principal 1 – Lay Solid Foundations for Management and Oversight</b>		
1.1	Disclose the respective roles and responsibilities of the Board and Management and disclose those matters expressly reserved to the Board and those delegated to Management.	Yes
1.2	Undertake appropriate checks before appointing a director or putting forward their election and provide security holders with all relevant information in its possession relevant to their election or re-election as a director.	Yes
1.3	Written agreement with each Director and Senior Executive setting out the terms of their appointment.	Yes
1.4	The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Yes
1.5	Have a Diversity Policy, which includes requirements for the Board or a 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. Disclose the policy and the measurable objectives and respective proportions of men and women on the Board, senior management and the whole organisation.	Yes
1.6	Have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors and disclose whether a performance evaluation was undertaken during a reporting period.	Yes
1.7	Have and disclose a process for periodically evaluating the performance of Senior Executives and disclose whether a performance evaluation was undertaken during a reporting period.	Yes
<b>Principal 2 – Structure the Board to Add Value</b>		
2.1	The Board should have a Nomination Committee, which has at least 3 members, a majority of whom are independent and chaired by an independent director and disclose the charter, the members and the number of times the committee met. Alternatively, if there is no nomination committee, disclose the processes it employs to address succession issues and ensure the Board has appropriate balance of knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities.	Yes
2.2	Have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board has or is looking to achieve.	Yes
2.3	Disclose the independent Directors and length of service of Directors.	Yes

Recommendation		Comply Yes / No
<b>Principal 2 – Structure the Board to Add Value [continued]</b>		
2.4	Majority of the Board should be independent Directors.	Yes
2.5	Chair of the Board should be an independent director and should not be the same person as the Chief Executive Officer of the company.	Yes
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge.	Yes
<b>Principal 3 – Act Lawfully, Ethically and Responsibly</b>		
3.1	Establish a Code of Conduct for Directors, Senior Executives and Employees and disclose the code or a summary of the code.	Yes
3.2	Have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes
3.3	Have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes
3.4	Have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy	Yes
<b>Principal 4 – Safeguard Integrity in Corporate Reporting</b>		
4.1	Establish an Audit Committee which has at least 3 members, a majority of whom are independent and chaired by an independent Director (who is not the chairperson of the Board) and disclose the charter, the members and the number of times the committee met.	Yes
4.2	Before the Board approves its financial statements for a financial period, the Board should receive from its Chief Financial Officer and Chief Executive Officer a declaration that, in their opinion, the financial records of the company have been properly maintained and the financial statements comply with appropriate accounting standards and the opinion has been formed on the basis of a sound system of risk management and internal control.	Yes
4.3	The external auditor should attend the entity's annual general meeting.	Yes
<b>Principal 5 – Make Timely and Balanced Disclosure</b>		
5.1	Establish and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules.	Yes
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes
5.3	A listed entity that gives a new or substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes
<b>Principal 6 – Respect the Rights of Shareholders</b>		
6.1	Provide information about the entity and its governance to investors via its website.	Yes
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	Disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes
6.5	Provide security holders the option to receive and provide communications electronically.	Yes
<b>Principal 7 – Recognise and Manage Risk</b>		
7.1	Have a Committee to oversee risk which has at least 3 members, a majority of which is independent, and which is chaired by an independent Director and disclose the charter, members of the Committee and the number of times the Committee met during the period.	Yes
7.2	The Board or Committee of the Board should review the company's risk management framework annually and disclose each reporting period whether such a review has taken place.	Yes
7.3	Disclose whether it has an internal audit function and how it is structured and performed.	Yes
7.4	Disclose whether it has any material exposure to economic, environmental and social sustainability risks and how it manages or intends to manage those risks.	Yes

#### Principal 8 – Remunerate Fairly and Responsibly

- |            |  |     |
|------------|--|-----|
| <b>8.1</b> | Establish a Remuneration Committee which has at least 3 members, a majority of which is independent, and which is chaired by an independent Director and disclose the charter, members of the committee and the number of times the committee met during the period. | Yes |
| <b>8.2</b> | Clearly distinguish the policies and practices of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.  | Yes |
| <b>8.3</b> | A Company which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose that policy.                                 | Yes |

For further information on the Corporate Governance Policies adopted by NRW Holdings Limited, please refer to our website: <http://www.nrw.com.au>, and the 2020 Annual Report.

### Structure and Operation of the Board

The Board operates pursuant to a formal Board Charter Policy, which sets out matters of Corporate Governance including the composition, functions and responsibilities of the Board and matters affecting Directors in execution of their duties. The policy recognises that the Board is elected to represent shareholders' interests in the direction and management of the Company and the interests of its employees, customers and the local community where it operates.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the 2020 annual report and their term of office are detailed in the Directors' Report.

A Director is considered to be independent where they are a Non-Executive Director, are not a member of management and are free of any relationship that could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgment. The existence of the following relationships may affect independent status if the Director:

- is a substantial shareholder of NRW or an officer of, or otherwise associated directly with a substantial shareholder of NRW (as defined in section 9 of the Corporations Act 2001 (Cth));
- is employed, or has previously been employed in an executive capacity by the Group, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional adviser or a material consultant to the Group, or an employee materially associated with the services provided;
- is a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Group other than as a Director.

Directors are expected to bring independent views and judgement to the Board's deliberations. The Board Charter requires that at least one half of the Directors of NRW be Non-Executive (preferably independent) Directors and that the Chair will be a Non-Executive Director.

In accordance with the definition of independence above, and the materiality thresholds set, the Board reviewed the positions and associations of each of the five Directors in office at the date of this statement and considers that four of the Directors are independent, as follows:

Name	Position
Michael Arnett	Chairman & Non-Executive Director
Jeff Dowling	Non-Executive Director
Peter Johnston	Non-Executive Director
Fiona Murdoch	Non-Executive Director

The Board will assess the independence of new Directors upon appointment and will continue to assess the independence of Directors, as appropriate. To facilitate independent judgement in decision-making, Directors must declare immediately to the Board any potential or active conflicts of interest and the Board will determine whether to declare to the market, any loss of independence.

The term in office held by each Director in office at the date of this statement, is set out in the Director's Report.

Powers specifically reserved by the Board include:

- reviewing and approving systems of risk management, internal control and compliance, codes of conduct, continuous disclosure and legal compliance, external financial reporting and major capital expenditure, capital management and acquisitions/divestments;
- any matters in excess of delegated authorities;
- providing input into, and approval of, the Company's strategic plan;
- reviewing and approving business plans and budgets including performance objectives;

- monitoring operational and financial position and performance;
- approving financial policies and financial statements;
- monitoring compliance with controls and accountability systems, regulatory requirements and ethical standards;
- on the Chief Executive Officer's recommendation, ratifying the appointment and removal of the Chief Financial Officer and other Senior Executives;
- reviewing and approving remuneration and conditions of services for the Executive Management Team;
- approving the issue of any securities;
- approving any public statements which reflect significant issues;
- appointing/removing auditors; and
- approving any changes to the discretions delegated from the Board.

The Board has delegated to the Chief Executive Officer and his Executive Management Team, authority for the day to day management of the Company and its operations.

The Company Secretary of the Company is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

### **Board Committees**

To facilitate achieving its objectives, the Board has established an Audit and Risk Committee, a Nomination & Remuneration Committee and a Sustainability Committee, comprising members of the Board. Each of these Committees has formal charters that outline the committee's roles and responsibilities and the authorities delegated to it by the Board.

#### **Nomination & Remuneration Committee**

The Board established a Nomination & Remuneration Committee that operates under a charter approved by the Board. The Board is of the view that due to the nature and size of the Company's operations, the functions normally performed by a nomination committee can adequately be performed jointly with remuneration. This view is reviewed annually.

Pursuant to the charter, all members of the Nomination & Remuneration Committee are to be Non-Executive and the majority being independent Directors. The Nomination & Remuneration Committee currently comprises the following members:

- Michael Arnett (Chair)
- Jeff Dowling
- Fiona Murdoch

For details of members' attendance at meetings of the Nomination & Remuneration Committee, please refer to the Directors' Report.

#### **Nomination**

The Company maintains a set of criteria to assist in identifying the skills, knowledge, experience and capabilities required of the Board to meet the Company's strategic objectives. These include in addition to those skills which would normally be required to act as a Company Director (for example financial acumen and an understanding of the regulatory and governance requirements commensurate with the position) industry experience particularly in Resources and Infrastructure, Health and Safety particularly as these matters relate to the operation of the company and Human resource development in all forms, which would include but not be limited to succession planning, indigenous participation and gender diversity.

Appointments to the Board are based against these criteria to maintain an appropriate balance of skills and experience. In considering the appointment of new Board Members, consideration is also given to the appointee's ability to contribute to the Board's ongoing effectiveness, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role and to contribute to the development of the Company's strategic direction.

The Board undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director.



## Remuneration

The overall purpose of the Nomination & Remuneration Committee is to provide assistance and recommendations to the Board relating to:

- overall remuneration strategy of the Group;
- remuneration of Non-Executive Directors of NRW; and
- remuneration of the Chief Executive Officer and executive management team of the Group.

The Nomination & Remuneration Committee does not make decisions on behalf of the Board, unless such authority in respect of any matter is expressly delegated by the Board.

The Nomination & Remuneration Committee assists the Board in the implementation of its remuneration policy by:

- ensuring the Group's remuneration policies and practices fit with its strategic goals;
- undertaking periodic reviews of policies and practices in respect to total fixed remuneration, incentive remuneration and share and equity based plans;
- reviewing remuneration policies and practices to ensure they comply with regulatory requirements and good governance principles and practice;
- obtaining external advice on the market position of the Chief Executive Officer's remuneration package and making recommendations to the Board on proposed changes to current remuneration structures;
- approving the remuneration of Executive Management reporting to the Chief Executive officer;
- establishing the process for review of the Non-Executive Directors' remuneration and making recommendations on the appropriate remuneration levels and other benefits provided to Non- Executive Directors;
- monitoring compliance with the Company's Code of Conduct, review of any breaches of the Code and actions taken by management in relation to breaches;
- considering and recommending to the Board the total target reward, including short term incentives and long-term incentives for each member of the executive leadership team taking into account the recommendations of the Chief Executive Officer;
- reviewing with the Chief Executive Officer the performance of members of the executive leadership team;
- reviewing and commenting on the Chief Executive Officer's succession plans for members of the executive leadership team and other key positions in the Group; and
- reviewing the Chief Executive Officer's recommendation for the remuneration package of new members of the executive leadership team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high-quality Board by remunerating Directors fairly and appropriately with reference to relevant market conditions.

The Nomination & Remuneration Committee must ensure that the remuneration packages of Directors and Executives:

- display a balance between fixed remuneration and variable remuneration which is tailored to performance objectives;
- provide for a link between the performance of the Company and individual; and
- are consistent with the Company's remuneration policy and any other relevant Company policies.

All executives receive a base salary plus superannuation and performance incentives. The fixed component, base salary, is determined based on the position requirements, skills, experience and expectations. The variable component, performance incentives, is linked to specified performance targets. The payment of bonuses, equity based payments such as performance rights and other incentives are reviewed by the Remuneration Committee periodically as part of the review of executive remuneration.

The Nomination & Remuneration Committee review the Executive remuneration packages by reference to Company performance, individual performance and comparable information from industry reports.

The Nomination & Remuneration Committee is responsible for providing advice to the Board with respect to Non-Executive Directors' remuneration. The remuneration packages of Non-Executive Directors should generally be fee based and the Nomination & Remuneration Committee must ensure that:

- there is a clear distinction between the structure of Non-Executive Directors' and Executive Directors' remuneration; and
- Non-Executive Directors do not participate in remuneration schemes designed for Executive Directors or receive equity

based payments, bonus payments, retirement or termination benefits other than statutory superannuation.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives. The remuneration strategy will also provide executives with the necessary incentives to work towards growing long-term shareholder value.

NRW's remuneration framework, including financial components is contained in the Remuneration section of the Director's Report.

#### Audit and Risk Committee

The Audit and Risk Committee operates under a charter approved by the Board. Details of the skill and experience of the Audit and Risk committee members are detailed in the Director's Report. For details on the number of meetings of the Audit and Risk Committee held during the year and the attendees at those meetings, please refer to the Director's Report.

Pursuant to the terms of the charter, all members of the Audit and Risk Committee are Non-Executive Directors and are all considered to be independent. The Chairman of NRW may not be Chairman of the Audit and Risk Committee. The Audit and Risk Committee currently comprises the following members:

- Jeff Dowling (Chair)
- Michael Arnett
- Fiona Murdoch

The overall purpose of the Audit and Risk Committee is to protect the interest of the shareholders and other stakeholders in the Company by overseeing, on behalf of the Board:

- the quality and integrity of the Company's financial statements, accounting policies, financial reporting and disclosure practices;
- compliance with applicable legal and regulatory requirements, internal policies and codes of conduct;
- the effectiveness and adequacy of the control environment and the processes of identifying and managing risk;
- audit functions; and
- treasury and taxation practices.

The Company does not have dedicated internal audit function but does engage appropriately qualified auditors when considered necessary. The Company's Risk and Commercial section is tasked with ongoing evaluation of risk profiles across the business.

#### Sustainability Committee

The Board established a new committee in the year to provide advice, recommendations and assistance to the Board of Directors of the Company with respect to sustainability, primarily relating to environmental, social and corporate governance matters.

As a leading provider of diversified services to the resources, civil infrastructure and urban development sectors, the Company is committed to the sustainable management of the environment in which we operate with the objective to minimise impact on the environment.

The Company is committed to ensuring its relationships with employees, suppliers, customers and in the communities in which it operates is socially sustainable. This includes identifying and addressing social issues that impact the people and industries in which it serves.

The Company's objective is to engage with stakeholders in a socially responsible manner through strict compliance with applicable workplace legislation and recommended best practice.

The Company acknowledges that good corporate governance is an essential element to the successful operation of its business. It recognises that good corporate governance not only means maintaining well-developed corporate governance policies to guide compliance practices, but also extends to the context in which these policies are practiced within the workplace.

The Company's objective is to clearly define the roles, responsibilities and authorities governing the operation of its compliance practices.

The members of the committee are Peter Johnston (Chair), Fiona Murdoch and Michael Arnett.

NRW's external auditor, Deloitte Touche Tohmatsu, will attend at the Company's Annual General Meeting and will be available to answer questions from shareholders relevant to the audit, auditor opinion and auditor independence.

#### **Recommendation 4.2**

The Company received the requisite declaration from both the Chief Executive Officer and the Chief Financial Officer that, in their opinion, the financial records of the company have been properly maintained and the financial statements comply with appropriate accounting standards and the opinion has been formed on the basis of a sound system of risk management and internal control.

#### **Risk Management**

NRW recognises the importance of risk management and has a specific policies and procedures in place to standardise its focus and approach to risk management for the Group.

The objective of NRW's risk management documentation and controls is to:

- have risk management policies and procedures in place to provide for early identification of business risks and to monitor the mitigation of those risks across all aspects of the business;
- ensure integration to all areas of the business including operations, health, safety, environment, reputation, regulation, contract, human resources, finance, information and strategy;
- link the identification and management of risk to the achievement of business objectives;
- systematically identify and proactively manage risk;
- implement effective internal controls for identifying, disclosing and managing conflicts of interest;
- ensure legal and regulatory compliance;
- ensure employees are equipped with the tools and resources to take responsibility for managing risk and be trusted to make risk management decisions;
- have in place effective systems to monitor and manage risks; and
- ensure reporting systems and process controls are dynamic, iterative and responsive to change and facilitate continual improvement and enhancement of NRW risk mitigation strategies.

The Board is ultimately responsible for risk management of the Group and must be satisfied that significant risks faced by the Group are being managed appropriately and that the system of risk management within the Group is robust enough to respond to changes in the Group's business environment. NRW's Risk Management framework has been reviewed during this period and is reviewed on a regular ongoing basis.

Further information on material risks is provided in the Corporate Governance and Risk Management section of the 2020 Annual Report (pages 29 - 30).

#### **Performance of the Board and Executives**

The performance of the Board and its individual Directors is reviewed on a regular basis, to ensure measurable improvements and overall efficiency.

The Board conducts an internal Board review process on an annual basis while reserving the option of an external review where considered necessary. The internal review process consists of objective discussions involving an assessment of individual performances of the Chairman and individual Directors and an assessment of the Board against the Board's objectives and responsibilities as set out in the Board Charter.

The process for evaluating the performance of Board Committees involves an internal review of their performance against their objectives and responsibilities as set out in the relevant committee charters in conjunction with the Board review.

The performance of Executives is reviewed regularly against appropriate measures. The performance of Executives is reviewed internally on an annual basis pursuant to an annual performance review process. Key performance indicators are agreed on an individual basis for such Executives and performance against these indicators is then reviewed by the Chief Executive Officer.

### **Code of Conduct**

The Company requires its Directors, employees and contractors to observe the highest standards of behaviour and business ethics in respect to its operations. Managers are expected to undertake reasonable steps in ensuring that employees, contractors, consultants, agents and partners are aware of the Company's Code of Conduct policy to foster an environment that encourages ethical behaviour and compliance.

The Code of Conduct imposes high standards of behaviour and business ethics including:

- complying with all relevant laws and acting honestly and with integrity;
- being responsible and accountable for actions and the manner in which functions and duties are performed;
- not allowing any private interests to conflict with obligations and duties to the Company;
- maintaining a safe and healthy work environment;
- conducting operations in an environmentally responsible manner so that the operations are compatible with the maintenance of the environment;
- treating all persons with respect and dignity and not discriminating on the basis of sex, race, religion, politics, age or other personal differences; and
- not allowing any person to be disadvantaged in honestly reporting any breach of the Code of Conduct to senior management or any Director.

### **Securities Trading Policy**

NRW has adopted a securities trading policy which details the Company's policy regarding the sale and purchase of Company securities by Directors and employees. The policy prohibits Directors and employees from buying or selling securities in the Company when they are in possession of price sensitive information which is not generally available to the market.

In addition, trading in the Company's securities is not permitted by Directors and employees during closed periods which are the period from the end of the financial year or half financial year to the time of release of the annual or half year results.

It is contrary to the policy for Directors or employees to be engaged in short term trading of Company securities.

### **Anti-Corruption and Anti-Bribery**

The Company is committed to conducting its business and activities with integrity and has adopted an anti-corruption and anti-bribery policy which prohibits bribery and corruption, in any form, whether direct or indirect, whether in the private or public sector. Areas of concern are highlighted in the policy.

Specifically, the Company prohibits facilitation payments and the giving and receiving of gifts or entertainment in connection with its business and business activities which go beyond common courtesies associated with general commercial practice.

### **Diversity & Inclusion**

The Company has a diverse workforce in various geographic regions across Australia. Its workforce comprises employees from varied ethnic backgrounds, age groups, races and gender.

The company employs a significant number of blue collar employees with qualifications in trades where the number of female participants in these trades are low across the industry which reflects on the current gender balance across the Company.

NRW is particularly focused on maintaining and increasing diversity in the following key areas:

- Continuing to incrementally grow the number of women performing senior roles; and
- Continuing to assist Indigenous people to access employment opportunities in NRW's operations.

NRW provides a flexible workplace in terms of hours and working from home to facilitate the needs of those employees returning to the workplace post maternity leave.

NRW is a “relevant employer” under the Workplace Gender Equality Act. The most recent report is located at <https://nrw.com.au/about-us/corporate-governance/>.

The Board receives reports on the current status of gender diversity across the organisation monthly. The Company notes a slight increase in overall female participation across the Group for the current period.

The table below shows gender participation across the Group as of 30 June 2020 at all levels of the organisation:

	Female	Female %	Male	Male %
Administration	230	75.41%	75	24.59%
Wages workforce	337	8.92%	3439	91.08%
Supervisory/Professional	99	13.15%	654	86.85%
Senior Managers	10	7.94%	116	92.06%
Executive Leadership Team	0	0.00%	7	100.00%
<b>Total</b>	<b>676</b>	<b>13.61%</b>	<b>4291</b>	<b>86.39%</b>
Board	1	20%	4	80%

#### Continuous Disclosure Policy

The Company has adopted a continuous disclosure policy to ensure compliance by the Company with its continuous disclosure requirements arising from legislation and the ASX Listing Rules.

Pursuant to this policy, all management and staff must inform the Chief Executive Officer (or in their absence, the Company Secretary or another Director) of any potentially material information or proposal as soon as practicable after the person becomes aware of that information. In accordance with ASX Listing Rule 3.1, the Chairman and Chief Executive Officer must immediately notify the market of any information concerning the Company that they believe a reasonable person would expect to have a material effect on the price or value of shares in the Company.

The Board are advised of any proposed market releases and electronically receive a copy of any release made on the ASX platform. All new or substantive presentations are released to the ASX Market Announcements Platform before trading on the day the presentation is to be made.

The Company Secretary is the authorised officer for ASX Listing Rule purposes and is responsible for oversight and disclosure of information to ASX and shareholders.

#### Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business of the Company, including the election and remuneration of Directors, approval of annual financial statements and amendments to the constitution of the Company. The Board actively encourages shareholders to attend and participate in the Annual General Meeting of the Company, to lodge questions to be responded to by the Board and to appoint proxies.

It is the Companies policy that at a meeting of Shareholders any substantive resolutions are decided by a poll.

The Company maintains a website which contains information regarding the Group, Directors and management, operations, ASX announcements as well as all corporate governance policies adopted by the Company. Shareholders are able to request, via the Company's website or share registry, shareholder communications to be received electronically.

#### Summary

NRW Holdings Limited concludes that it has complied with all of the Recommendations throughout the 2020 financial year.