



# CORPORATE GOVERNANCE STATEMENT

# 2023

# CONTENTS PAGE

<b>02</b>	<b>About This Statement</b>
<b>03</b>	<b>About Us</b>
<b>05</b>	<b>Governance Framework</b>
<b>09</b>	<b>Board Activities in FY23</b>
<b>11</b>	<b>Governance Principles</b>
12	Lay Solid Foundations for Management and Oversight
14	Structure the Board to be Effective and Add Value
17	Instill a Culture of Acting Lawfully, Ethically and Responsibly
19	Safeguard the Integrity of Corporate Reports
20	Make Timely and Balanced Disclosure
21	Respect the Rights of Security Holders
22	Recognise and Manage Risk
24	Remunerate Fairly and Responsibly
25	Diversity and Inclusion



# ABOUT THIS STATEMENT

## CORPORATE GOVERNANCE 2023

This Corporate Governance Statement (Statement) describes the key corporate governance policies and practices for NRW Holdings Limited (NRW or Company) for the financial year 1 July 2022 to 30 June 2023 (FY23). The purpose of this Statement is to demonstrate how NRW is applying corporate governance practices within the Company in line with best practice recommendations.

This Statement forms part of NRW's Annual Reporting Suite to enable the Company to integrate the concept of creating value for its stakeholders – including shareholders, clients, employees and the communities in which we operate. This Statement should be read in conjunction with the other documents in NRW's Annual Reporting Suite and other periodic announcements lodged with the Australian Securities Exchange (ASX), including the Annual Financial Statements, all of which are available on the NRW website ([www.nrw.com.au](http://www.nrw.com.au)) and the ASX platform.

The Board endorses the ASX Principles and Recommendations, and is committed to ensuring that its systems, procedures and practices reflect high standards of corporate governance.

NRW Holdings Limited concludes that it has complied with each of the ASX Principles and Recommendations throughout the 2023 financial year. This statement has been approved by the NRW Board and is dated 16 October 2023.

## CORPORATE GOVERNANCE FRAMEWORKS

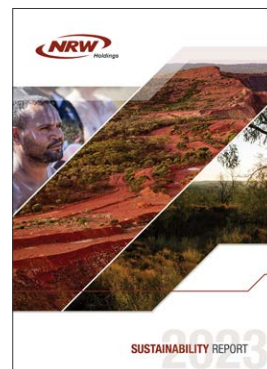
The Company has chosen to publish its corporate governance information in accordance with the Australian Securities Exchange (ASX) Principles and Recommendations. The ASX Corporate Governance Council sets out best practice recommendations, including corporate governance practices and suggested disclosures, through the ASX Corporate Governance Principles and Recommendations (the ASX Principles and Recommendations). Pursuant to ASX Listing Rule 4.10.3, NRW is required to disclose the extent to which it has followed the ASX Principles and 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.

## OUR ANNUAL REPORTING SUITE

You can view all documents in the NRW Holdings Ltd's Annual Reporting Suite on the company's website ([www.nrw.com.au](http://www.nrw.com.au)), including:



Annual Report



Sustainability Report



Corporate Governance Statement



Modern Slavery Statement



# ABOUT US

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors. NRW has a workforce of around 7,200 people, supporting projects around Australia for clients across the resources, renewable energy, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

With extensive operations across all of Australia, and engineering offices in Canada and the USA, NRW's geographical diversification is complemented by its ability to deliver a wide range of services.

NRW's Civil and Mining businesses provide civil construction, including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services.

The Minerals, Energy & Technologies (MET) operating segment offers tailored mine-to-market solutions, specialist maintenance (shutdown services and onsite maintenance), non-process infrastructure, innovative materials handling solutions, Build-Own-Operate (BOO) process plant solutions and complete turnkey design, construction and operation of minerals processing and energy projects.

NRW also offers a comprehensive Original Equipment Manufacturer (OEM) capability, providing refurbishment and rebuild services for earthmoving equipment and machinery.







## CIVIL

NRW Civil | Golding Civil | Golding Urban

Our Civil businesses deliver a range of leading civil contract services for Tier One clients in the resources and infrastructure sectors Australia-wide.



## MINING

NRW Mining | Golding Mining | Action Drill & Blast  
AES Equipment Solutions

Our Mining businesses operate nationwide providing an extensive range of value-adding services for key clients, delivered to the highest industry standards.

## MINERALS, ENERGY & TECHNOLOGIES

Primero | RCR Mining Technologies | DIAB Engineering | OFI

Our MET businesses provide innovative materials handling solutions and integrated engineering, construction and maintenance services and OEM equipment for minerals processing and energy projects in Australia and North America.

# GOVERNANCE FRAMEWORK

The Board of Directors (Board) of NRW is responsible for the corporate governance of NRW and its subsidiary companies (together, the NRW Group). The Board governs all matters relating to the strategic direction, policies, practices, management and operations of the NRW Group on behalf of the shareholders.

The Board believes that adopting and applying high standards of corporate governance enhances the Company's performance and creates long-term shareholder value. The Board is therefore committed to implementing and maintaining the highest standards of corporate governance and business conduct, and promoting a culture of ethical corporate behaviour which is aligned to the NRW values and ultimately evidenced through the way the company operates.

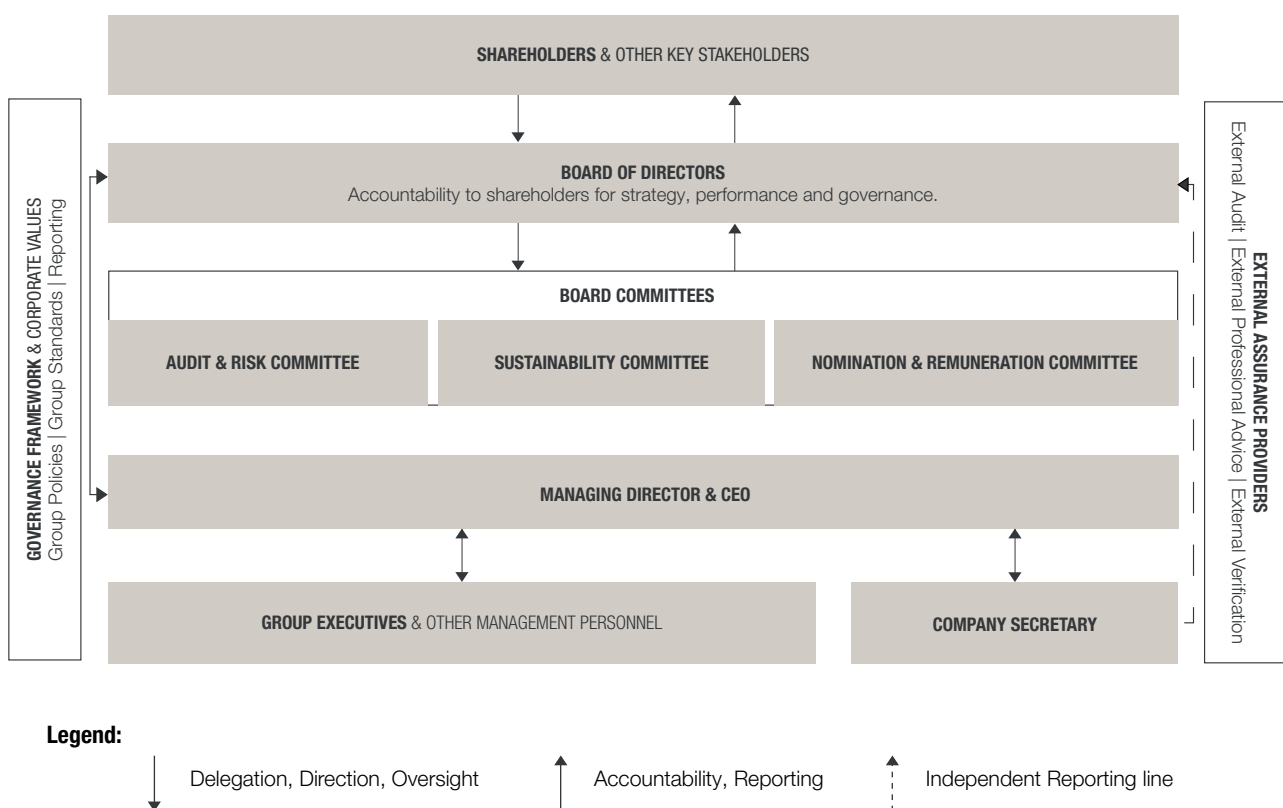
The Board is responsible for the governance, risk and compliance frameworks of the Company. The Board's approach to corporate governance is underpinned by a documented and robust corporate governance framework. This framework provides the platform from which NRW's Board provides strategic direction for the responsible and sustainable growth of the company. It also drives a culture that promotes high ethical standards and personal integrity.

The Company's governance framework details the structure through which business objectives are set, performance is monitored, and risks are assessed and managed. The framework provides guidance on the standards of behaviour expected of our people. The Board regularly reviews the Company's governance framework and corporate governance policies to ensure they comply with current legislative requirements, reflect best practice, and adhere to stakeholder expectations.

## ORGANISATIONAL STRUCTURE OF THE CORPORATE GOVERNANCE FRAMEWORK

The NRW Constitution provides that the business and affairs of the Company are to be managed by or under the direction of the Board. The Board appoints one of the independent Non-Executive Directors as Chair.

Under its governance framework, NRW's management is accountable to the Board, and the Board is accountable to shareholders for the operations, performance and growth of the company.





# GOVERNANCE FRAMEWORK CONTINUED

## BOARD OF DIRECTORS

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The NRW Board is made up of the following Directors.



**Michael Arnett**  
Chairman



**Jules Pemberton**  
Chief Executive Officer and  
Managing Director



**Jeff Dowling**  
Non-Executive Director



**Peter Johnston**  
Non-Executive Director



**Fiona Murdoch**  
Non-Executive Director

## EXECUTIVE MANAGEMENT TEAM

The Executive Management Team's role is to progress the Group's strategy in a way that aligns to our mission, vision and values, and the risk appetite set by the Board. In addition to the Chief Executive Officer and Managing Director, Jules Pemberton, the Executive Management Team is made up of the following employees.



**Brett McIntosh**  
Chief HSE & Sustainability Officer



**Richard Simons**  
Chief Financial Officer



**Michael Gollschewski**  
Chief Operating Officer -  
Minerals, Energy & Technologies  
(MET)



**Geoff Caton**  
Chief Operating Officer - Golding



**Mike Sutton**  
Chief Operating Officer -  
NRW Civil & Mining and Action  
Drill & Blast



**Kim Hyman**  
Company Secretary

# GOVERNANCE FRAMEWORK CONTINUED

## BOARD SUB-COMMITTEES

The Board has established the following sub-committees to assist it in carrying out its primary role of guiding NRW's strategic direction.

Committee	Oversight & Objectives of the Committee
<b>Audit and Risk Committee</b>	
<b>Composition Requirements:</b>	<b>Audit Matters</b>
<ul style="list-style-type: none"> <li>✓ Minimum Three Members</li> <li>✓ Only Non-Executive Directors, the majority of whom are independent Directors</li> <li>✓ Chair must be a Non-Executive Director who is not the Chair of the Board</li> </ul>	<p>The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities by monitoring and reviewing the integrity of financial statements, the effectiveness of internal financial controls, the independence, objectivity and competency of internal and external auditors, and the policies on risk oversight and management. In addition, the Audit and Risk Committee is responsible for making recommendations to the Board in relation to the appointment of external auditors and approving the remuneration and terms of their engagement.</p>
<b>Members:</b>	<b>Risk Matters</b>
<ul style="list-style-type: none"> <li>• Jeff Dowling (Chair)</li> <li>• Peter Johnston</li> <li>• Fiona Murdoch</li> </ul>	<p>The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company. The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of enterprise-wide risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Committee, management and the internal audit function. The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of effectiveness.</p>
<b>Nomination &amp; Remuneration Committee<sup>1</sup></b>	
<b>Composition Requirements:</b>	<b>Nomination Matters</b>
<ul style="list-style-type: none"> <li>✓ Minimum Three Members</li> <li>✓ Only Non-Executive Directors</li> <li>✓ Chair must be an independent Director</li> </ul>	<p>The purpose of the Nomination and Remuneration Committee is to provide advice, recommendations and assistance to the Board with respect to identifying nominees for directorships and other key executive appointments, the composition of the Board, ensuring that effective induction and education procedures exist for new Board appointees and key executives, and ensuring that appropriate procedures exist to assess and review the performance of the Chair, executive and Non-Executive directors, senior management, Board committees and the Board as a whole.</p>
<b>Members:</b>	<b>Remuneration Matters</b>
<ul style="list-style-type: none"> <li>• Peter Johnston (Chair)</li> <li>• Michael Arnett</li> <li>• Jeff Dowling</li> <li>• Fiona Murdoch</li> </ul>	<p>The purpose of the Nomination and Remuneration Committee is to provide advice, recommendations and assistance to the Board with respect to putting in place remuneration policies which are designed to attract and retain senior managers and directors with the expertise to enhance the performance and growth of the Company, and ensuring that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company</p>
<b>Sustainability Committee</b>	
<b>Composition Requirements:</b>	<b>Environment, Social, Governance Matters</b>
<ul style="list-style-type: none"> <li>✓ Minimum Three Members</li> <li>✓ Only Non-Executive Directors, the majority of whom are independent Directors</li> <li>✓ Chair must be an independent Non-Executive Director who is not the Chair of the Board</li> </ul>	<p>The purpose of the Sustainability Committee is to provide advice, recommendations and assistance to the Board with respect to sustainability primarily in relation to environmental, social and corporate governance matters and eliminate related risks or identify related opportunities. This includes adoption of a climate change strategy that maps the Company's pathway to a practical and appropriate level of decarbonisation for the business.</p>
<b>Members:</b>	
<ul style="list-style-type: none"> <li>• Fiona Murdoch (Chair)</li> <li>• Michael Arnett</li> <li>• Peter Johnston</li> </ul>	

1. 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.

In August 2023, the NRW Board resolved to separate the audit and risk function through the formation of a separate Risk Committee. Oversight of the Risk Committee will be formalised in FY24, when the Risk Committee will begin to meet.



# GOVERNANCE FRAMEWORK CONTINUED

## CHARTER DOCUMENTS

The Charter Documents which govern our Board and Board Committees are:

Charter	Revision Date
NRW Holdings Limited Company Constitution	November 2019
Board Charter	January 2007
Audit and Risk Committee Charter	January 2021
Nomination and Remuneration Committee Charter	January 2021
Sustainability Committee Charter	May 2022
Statement of Delegated Authority	January 2021

## CORPORATE GOVERNANCE POLICIES

NRW's corporate governance framework is affected through a suite of policies and procedures listed below:

Corporate Governance Document	Revision Date
Code of Conduct for Directors and Key Officers	January 2021
Code of Conduct	December 2019
Shareholder Communication Policy	January 2021
Anti Fraud, Bribery and Corruption Policy	July 2022
Continuous Disclosure Policy	January 2021
Securities Trading Policy	March 2020
Whistleblowing Policy	February 2020
Sustainability Policy	July 2022
Diversity Policy	July 2022
NRW Holdings Performance Rights Plan Rules	November 2019

Both the Board and Committee Charter documents and NRW's corporate governance policies are published on the NRW website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)).



Administration Employee, RCR Mining Technologies

# BOARD ACTIVITIES IN FY23

In addition to matters routinely considered, the focus areas of our Board throughout the year ended 30 June 2023 are highlighted below.

## SAFETY

Nothing is more important than the safety, health and wellbeing of our workforce. In addition to regular updates on our safety performance during the year, the Board received additional oversight of the following.

- **Safety management systems:** The program of work undertaken by the Company to roll out a group wide safety management system.
- **Critical risk management:** A renewed focus on critical risk management, including the structured roll out of critical risk management programs within the Group.
- **Work, Health & Safety (WHS) legislation:** Additional information, materials and updates regarding the recent amendments to the WHS legislation to incorporate psychosocial hazards, health and wellbeing.

## STRATEGY AND BUSINESS PERFORMANCE

Our Board oversees strategy development and implementation, including alignment with our Company mission and values. The Board remains focused on creating sustainable shareholder value. At each major Board meeting, the Board received reports on business performance and execution of the Group's strategy to monitor progress. In addition to this, our Board reviewed, provided guidance on, and approved (as required) a number of key matters related to our Company strategy and business performance, including:

- **Strategy:** The Board periodically received reports on execution of strategies at a business unit level to understand operating context, as well as specific strategic initiatives, such as business integration, data and analytics and technology plans.
- **Business combinations:** Acquisition of Overflow Industrial Pty Ltd (OFI). OFI will form part of the Company's Minerals Energy & Technologies (MET) division, offering our customers an even broader range of products and services.
- **Capital management:** Continued focus on assessing growth opportunities within the market whilst still retaining a balanced approach to capital management.
- **Carbon reduction:** Endorsing the Group's carbon reduction target to 2030 and supporting the pathway for achievement of such objective.
- **Climate resilience:** Ensuring our exposure to metals and minerals is balanced as the world transitions to a low carbon economy.

## RISK MANAGEMENT

The Board remains focused on risk management, governance, accountability and culture. This focus requires strong risk governance and an effective risk management framework operated by management. The Board received regular reports from the executive leadership team on financial and non-financial risks, including emerging risks and issues. Focus areas for the Board this financial year included:

- **Risk Strategy:** A renewed focus on the overarching risk management strategy, the risk appetite statement and policies for managing financial and non-financial risks.
- **Cyber security:** Including additional resources and oversight on the management of cyber and technology-related risks within the Group.
- **WHS legislation:** Additional information, materials and updates regarding the recent amendments to the WHS legislation to incorporate psychosocial hazards, health and wellbeing.

## PEOPLE AND CULTURE

The Board remains focused on ensuring we foster a workplace culture that is aligned to the Group's values, mission and strategy. The Board continued to work to set the direction and tone for a workplace culture that reflects our values and supports the delivery of our strategy. In addition to the Board receiving regular reports on people-related matters, focus areas for the year included:

- **Organisational Structure:** The Board endorsed a refreshed organisational structure for our Executive Leadership Team, establishing three new Chief Operating Officer positions, reducing the number of direct reports to our Chief Executive Officer/Managing Director. The new structure ensures we have an Executive Leadership Team that can develop and drive our strategy through their businesses and teams, whilst maintaining operational and functional leadership and support.
- **Diversity and Inclusion:** The Board continued to monitor and assess our progress against our diversity and inclusion targets and has reviewed our plan of action to attract and retain a more inclusive and diverse workforce.
- **Pay Parity:** A Group-wide pay parity audit was conducted during the year and clear recommendations and next steps were endorsed by the Board.
- **Legislative Reforms:** Briefings on the key Industrial Relations (IR) legislative changes in 2022/2023, were provided to the Board. The Board reviewed and endorsed the Group's IR Reform Action Plan, which is aimed to mitigate risk and ensure compliance.
- **Workplace Behaviour:** The Board has had increased visibility on serious workplace behaviour incidents & grievances, achieved via enhanced reporting processes.



# BOARD ACTIVITIES IN FY23 CONTINUED

## EXECUTIVE REMUNERATION

The Board worked closely to oversee the alignment of our remuneration framework with our long-term strategy. In addition to approving the usual remuneration matters, the Board approved changes to the structure of both the short- and long-term components of our remuneration framework. These approved changes should more closely align our remuneration practices with shareholder expectations.

## GOVERNANCE

The Board approves our corporate governance policies and oversees our corporate governance practices, and in doing so, seeks to adopt high standards of corporate governance that meet shareholder expectations. Focus areas for the year included:

- **Succession planning:** Succession planning for the Board and the Executive Management Team was completed.
- **Skills Matrix:** A renewed consideration of our board skills matrix, including the skills and experience required from our Board of Directors to ensure the Company can appropriately execute our strategy.



Fiona Murdoch (right) and Jasmyne Wardell-Johnson (left) at South Walker Creek project

# GOVERNANCE PRINCIPLES

## ASX PRINCIPLES AND RECOMMENDATIONS

1

### LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

2

### STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

3

### INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

4

### SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

5

### MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

6

### RESPECT THE RIGHTS OF SECURITY HOLDERS

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

7

### RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

8

### REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

## OUR CORPORATE GOVERNANCE PRINCIPLES

Companies have embraced a principles-based approach to corporate governance as an important tool to enhance board and management accountability to stakeholders. In Australia, these best practice principles are set by the ASX Corporate Governance Council.

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

The Board is NRW's highest governing authority and instills a culture of accountability, integrity, transparency and compliance. The Board considers lawful, ethical and responsible business practices essential to achieving sustainable performance and creating shareholder value. Therefore, the Company conducts its business in a manner consistent with these principles.

This Statement, approved by the Board, has been structured in line with the ASX Principles and Recommendations.



# GOVERNANCE PRINCIPLES CONTINUED

1

## LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

### GOVERNING BOARD CHARTER

The Board operates pursuant to a formal Board Charter, 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 Board Charter is published on the NRW website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)).

### BOARD OF DIRECTORS

The names of the current Directors as at the date of this Statement, together with details of their position, independence, and appointment date are set out in the table below.

Name/Position	Independent	Appointed
<b>Michael Arnett</b> Chairman and Non-Executive Director	Yes	27 July 2007 (appointed Chairperson 9 March 2016)
<b>Jules Pemberton</b> Chief Executive Officer and Managing Director	No	7 July 2010
<b>Jeff Dowling</b> Non-Executive Director	Yes	21 August 2013
<b>Peter Johnston</b> Non-Executive Director	Yes	1 July 2016
<b>Fiona Murdoch</b> Non-Executive Director	Yes	24 February 2020

The Directors' qualifications, skills, experience and other details are provided in the Directors' Report within NRW's 2023 Annual Report, including details of the number of Board meetings held during the year and of each Board member's attendance at those meetings.

### ROLES AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to provide strategic guidance and leadership to NRW, to guide and monitor the management, business and affairs of the Company and to promote a culture which supports its guiding principles. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The Board Charter recognises that the Board is elected to represent shareholders' interests in the direction and management of the Company and in the interests of its employees, clients and other stakeholders. In this regard, the Board strives to deliver sustainable value to its shareholders, while taking into account the interests of all other stakeholders. The Board recognises its responsibility to act honestly, fairly and diligently and in accordance with the law, and to instill these values throughout NRW.

### ROLE OF THE CHAIR

The Board elects the Chair in accordance with the Company Constitution and Board Charter which state that the Chair will be an independent director who is selected based on the person's achievements and record as a leader. The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all directors in relation to issues arising at Board meetings. Further details on the role of the Chair are set out in the Board Charter.

The Directors have elected Michael Arnett as Chair of the Board. Mr Arnett is an independent Non-Executive Director. Mr Arnett's qualifications, skills, experience and other details are provided in the Directors' Report within NRW's 2023 Annual Report.

### BOARD COMMITTEES

To facilitate achieving its objectives, the Board has established the following Board Committees comprising members of the Board:

- Audit & Risk Committee
- Nomination & Remuneration Committee
- Sustainability Committee

Each of these committees operate under a formal Charter approved by the Board that outline the committee's roles and responsibilities and the authorities delegated to it by the Board. These charters can be found on the Corporate Governance section of the NRW website ([www.nrw.com.au/about-us/corporate-governance/](http://www.nrw.com.au/about-us/corporate-governance/)).

Board Committees report to and make recommendations to the Board. In accordance with the Board and Committee Charters, the committees do not make decisions on behalf of the Board unless such authority in respect of any matter is expressly delegated by the Board. The Chair of each Committee reports to the Board after each meeting, and the Committee papers are made available to all Directors should they request it. Details of the number of meetings of each Committee held during the year and of each Committee member's attendance at those meetings is included in the Director's Report within NRW's 2023 Annual Report.

# GOVERNANCE PRINCIPLES CONTINUED

## ROLES AND RESPONSIBILITIES OF THE MANAGING DIRECTOR AND GROUP EXECUTIVE TEAM

The Managing Director is appointed by the Board. The Board has delegated to the Managing Director and his Executive Management Team responsibility for the ongoing management of the Company in accordance with the strategy and policies approved by the Board. The Managing Director is responsible for the day-to-day management of the Company and is supported in this function by delegating authority to the appropriate Executive Manager. This authority is governed by a formal Statement of Delegated Authority which is approved by the Board.

The Managing Director and his Executive Management Team are responsible for providing the Board and Board Committees with accurate, timely and clear information on the Company's operations. This includes information on NRW's compliance with material legal and regulatory requirements. Management's discharge of their responsibilities is monitored through regular Board reporting by the Managing Director and performance evaluations of the Managing Director and Executive Management Team.

The Managing Director's qualifications, skills, experience and other details are provided in the Directors' Report within NRW's 2023 Annual Report.

## ROLE OF THE COMPANY SECRETARY

The Company Secretary is appointed by the Board in accordance with the Constitution and Board Charter, and is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Company Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

The Company Secretary's qualifications, skills, experience and other details are provided in the Directors' Report within NRW's 2023 Annual Report.

## DIRECTOR NOMINATION, APPOINTMENT, RETIREMENT AND RE-ELECTION

The Nomination and Remuneration Committee assists the Board in fulfilling its oversight responsibilities in relation to the Board's composition. Further information on the responsibilities of the Nomination and Remuneration Committee can be found in the Nomination and Remuneration Committee Charter.

### 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 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) and relevant industry experience.

The Nomination and Remuneration Committee regularly reviews the skills represented by the Directors on the Board and considers whether the composition of the Board meets the necessary and desirable competencies required for the Company.

### Appointment

Before the Board appoints a new Director or puts forward a candidate of election, the Board undertakes appropriate checks which include but are not limited to reviewing the persons character, experience, education and criminal record. Interviews with the potential candidates are conducted by existing Directors to ensure the appropriate fit for the strategic direction of the Company. Appropriate third party discussions are also undertaken where considered necessary to the appointment.

Appointments to the Board are based against the 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.

Any Director who has been appointed during the year must stand for election at the Company's next Annual General Meeting. Shareholders are provided with all material information in this Company's possession relevant to their decision as to whether to elect the new Director.

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of the appointment to the position of Director at the Company.

### Retirement and Re-Election

In accordance with the Company's Constitution, at the Annual General Meeting one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to but not exceeding 1/3, retire from office. A retiring Director is eligible for re-election without the necessity of giving any previous notice of their intention to submit themselves for re-election.

The Board's recommendation in respect of the re-election of an existing Director is based on their past performance and contribution to the Company, and the current and future needs of the Board and the Company. Shareholders are provided with all material information in this Company's possession relevant to their decision as to whether to re-elect the Director.



# GOVERNANCE PRINCIPLES CONTINUED

## PERFORMANCE EVALUATION

### Board and Board Committees

The Chair of the Board is responsible for commencing the annual process of Board and Director evaluation. The performance of the Board, its committees 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 were 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 Board confirms an informal Board performance review was undertaken in FY23.

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 Board, and each of the Committees, confirms informal Board Committee reviews were undertaken during FY23.

### Managing Director and Executive Management Team

The Nomination and Remuneration Committee is responsible for commencing the annual process of Managing Director performance evaluation. The Managing Director's performance is reviewed against agreed key performance indicators. The Board has over-arching discretion to ensure remuneration outcomes are appropriately aligned to performance, including safety, financial and strategic outcomes.

The performance of the broader Executive Management Team is reviewed annually by the Managing Director and is measured against agreed key performance indicators relevant to each Executives work area. As above, the Board retains over-arching discretion to ensure remuneration outcomes are appropriately aligned to performance, including safety, financial and strategic outcomes.

A performance review was conducted in FY23, and the performance outcomes of the Managing Director and the Executive Management Team are outlined in the Remuneration Report contained within the Directors' Report in NRW's 2023 Annual Report.

## 2

## STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

## BOARD COMPOSITION

The composition of the Board is designed to include Directors that bring complementary skills and experience to ensure sustained delivery of value to shareholders in a manner that is consistent with NRW's values, supports management and the business, and protects the interest of shareholders.

The Company's Constitution provides that the Board should comprise of between 3 and 9 Directors. The Board Charter provides that the Chairman of the Board shall be an independent, Non-Executive Director and majority of the Board must be independent and Non-Executive Directors.

The Board currently has 5 Directors, 4 of whom are independent, Non-Executive Directors.

## DIRECTOR INDEPENDENCE

The Company recognises that having a majority independent Directors helps to ensure that the decisions of the Board reflect the best interest of the Company and its shareholders generally. In this regard, Directors are expected to bring independent views and judgement to the Board's deliberations.

The Board Charter requires that at least one half of Directors be Non-Executive (preferably independent) Directors and that the Chair will be a Non-Executive Director.

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 the independent status of a Director. If that 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;

# GOVERNANCE PRINCIPLES CONTINUED

## DIRECTOR INDEPENDENCE CONTINUED

- 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.

To facilitate independent judgement in decision-making, and in accordance with the Board Charter, 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 Board regularly reviews the independence of each Non-Executive Director in accordance with the ASX Recommendations and Principles. The Board takes a qualitative approach to assessing materiality and independence on a case-by-case basis by reference to each Director's individual circumstances. The Board will assess the independence of new Directors upon appointment and will continue to assess the independence of Directors, as appropriate.

## INDUCTION OF NEW DIRECTORS

Upon appointment, each new Director is provided with information in the way of Board Minutes and papers covering the Company's financial position, strategies, operations and risk management policies for review and consideration. In addition, each new Director meets with the Board Chair, Managing Director, and other Group Executives to gain valuable insight into relevant operational and corporate matters.

## CONFLICTS OF INTEREST

Directors are required to disclose all interests that may conflict with the appropriate discharge of their Directors' duties. Conflicts of Interests are dealt with within the Code of Conduct for Directors and Key Officers. The code of conduct makes it clear that Directors and Key Officers owe their first duty to the Company.

Pursuant to this document, Directors and Key Officers must fully disclose any business interest (public or private) and any other matters which may lead to potential or actual conflicts of interest, in accordance with such policies adopted by the Company. Directors have the opportunity to do this at the beginning of each Board Meeting, or any other time through advising the Chairman or Company Secretary directly.

In circumstances where other roles or interests potentially conflict with the Company's interests, the Director or Key Officer must advise and seek approval from the Chairperson.

## DIRECTOR DEVELOPMENT – ACCESS TO TRAINING, INFORMATION AND ADVICE

All Directors are expected to maintain the knowledge and skills required to discharge their obligations to the Company. Both the Board and the Nomination & Remuneration Committee have oversight of the Directors' professional development program. On an ongoing basis, Directors are provided with papers, presentations, external materials or education sessions and briefings on matters which may affect the business, strategy, risks or operations of the Company, gaps identified in the Board skills matrix, or topical corporate governance issues.

Directors have access to all Board Committee papers and are invited to attend all Committee meetings regardless of whether they currently serve on that Committee. Directors are also entitled to request any other information they consider necessary to make informed decisions and have access to the Company Secretary.

Any professional development needs identified during this process are addressed during the following period. Relevant training and professional development is available to Directors at the Company's expense, where applicable. Directors are also entitled to seek independent professional advice at the Company's expense, subject to the prior written consent of the Chair.

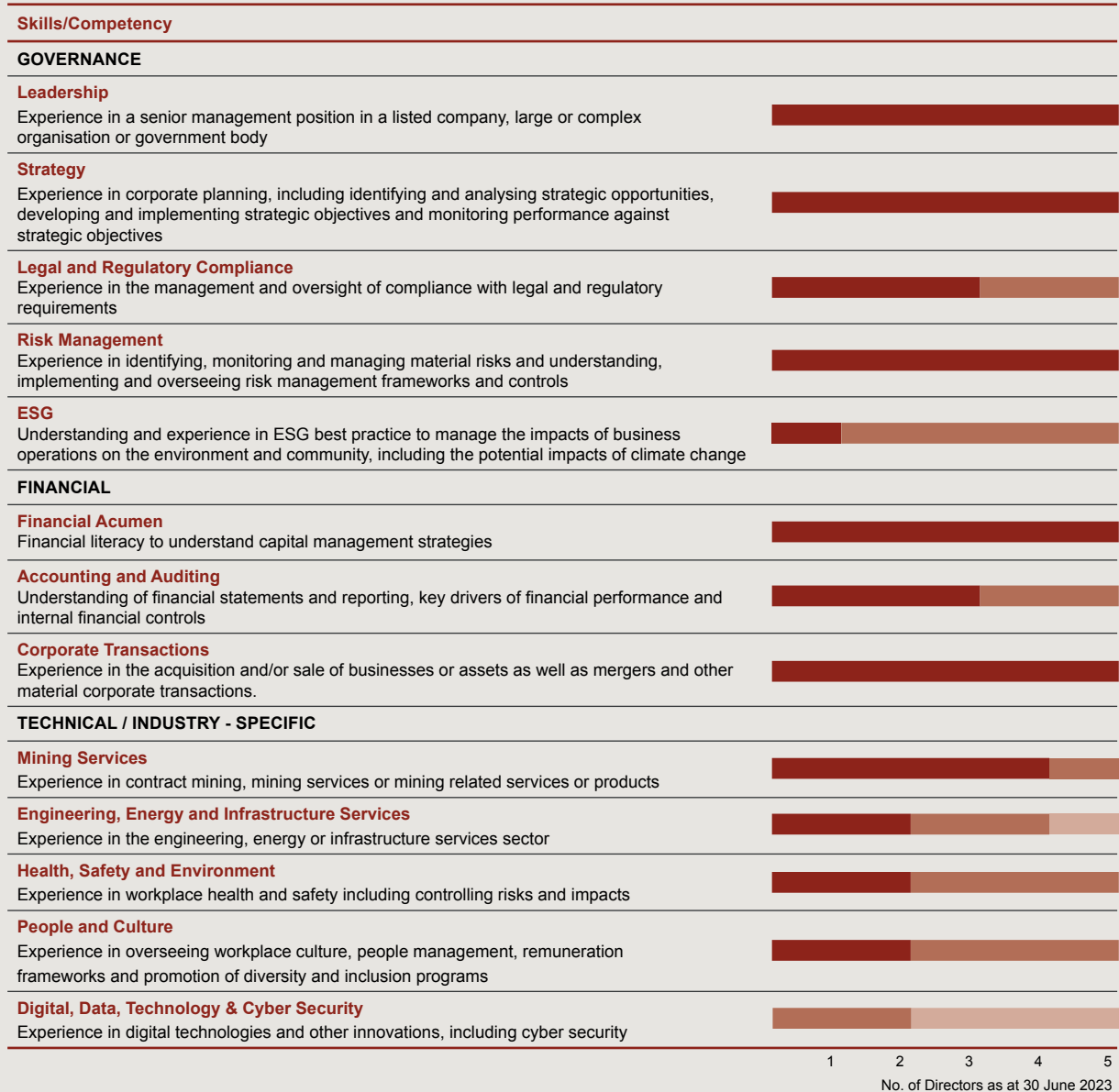
## DIRECTORS' SKILLS AND EXPERIENCE

The Company is committed to ensuring that the composition of the Board continues to include Directors who bring an appropriate mix of skills, experience and expertise to Board decision-making.

The Directors have a broad and diverse range of experience and skills across a number of business areas. To the extent that any skills are not directly represented on the Board, they are released through management or external advisors.

The Board skills matrix is considered by the Board to guide its assessment of the skills and experience of new and existing Directors and to identify any gaps in the collective decision-making process of the Board for the purposes of Board succession planning and elections.

## BOARD SKILLS MATRIX



## BOARD EXPERIENCE MATRIX





# GOVERNANCE PRINCIPLES CONTINUED

3

## INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Company believes consistent and proper business conduct creates loyalty and trust with our stakeholders and contributes to long-term sustainable value. Therefore, we are committed to promoting a culture of ethical corporate behaviour throughout our business. The Board recognises its role in setting the tone and standards of the Company and its responsibility in monitoring and developing a corporate culture which aligns to our Company values.

The Company endeavours to be recognised as an organisation committed to the highest ethical standards in business. The Company expects all directors, officers and employees act lawfully, ethically and responsibly, and always strive to contribute positively to NRW's reputation and performance. The following section sets out the policies that NRW has in place to promote lawful, ethical and responsible business practices within the organisation.

The corporate governance section of the company's website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)) contains access to all relevant corporate governance information, including Board and committee charters, and Group policies referred to below.

## CODE OF CONDUCT

NRW's Code of Conduct defines the Company's expectations with regards to director, officer and employee conduct, and is aligned to the Company's values. This document represents our commitment to upholding the highest standards of ethics within our business practices.

The Code of Conduct requires the Company's Directors, employees and contractors to observe the highest standards of behaviour and business ethics in respect to its operations. This Code reflects our high standards of professional conduct and ethics in dealing with all of our stakeholders and our commitment to complying with all applicable state, national and international laws. The Company is firmly committed to compliance with the Code and the Company's employees, consultants and suppliers (to the extent relevant) are required to comply with it.

NRW encourages employees to speak up about any conduct that may be in violation of the Code or other policies of the Company, by reporting via the various channels set out in the Company's Whistleblowing

Policy (or that of the relevant subsidiary of the Company). The Company does not permit any form of adverse treatment against any person who reports known or suspected violations of the Code or any other Company policy.

## SECURITIES TRADING POLICY

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

## WHISTLEBLOWING

The Company's approach to unethical, illegal, corrupt, fraudulent, or undesirable conduct involving our business is outlined within its Whistleblowing Policy. This policy was developed having regard to the Whistleblowing Protection Laws, to the ASIC Regulatory Guide 270 (Whistleblower policies) and to the ASX Principles and Recommendations.

As outlined within this policy, the Company expects and encourages the reporting of any suspected or actual unethical, illegal, corrupt, fraudulent or undesirable conduct involving our business, and prohibits any form of punishment, disciplinary or retaliatory action being taken against anyone for raising or helping to address a business conduct concern. The Whistleblowing Policy outlines the ways stakeholders can report matters they genuinely believe are in breach of the Code or are illegal (Reportable Matters). Please see our Whistleblowing Policy for guidance on what behaviour the Company considers to be a Reportable Matter ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)).

We encourage employees to speak up about a Reportable Matter. NRW is committed to ensuring that employees and stakeholders who speak up about Reportable Matters may do so without fear of intimidation, disadvantage, or reprisal. The Company has several different channels for the reporting of such conduct, including via an independent service provider.

Reportable Matters can be reported through internal and external reporting channels. The Company ensures continued accessibility to our independent external whistleblowing service, which is widely communicated to employees and contractors.

# GOVERNANCE PRINCIPLES CONTINUED

## ANTI-FRAUD, BRIBERY AND CORRUPTION

Fraud, bribery and corruption adversely affect the business environment by undermining legitimate business activities. The Company is committed to conducting business in accordance with the highest ethical and legal standards, and avoiding bribery, corruption and fraud.

The Company has an Anti-fraud, Bribery and Corruption policy which sets out NRW's 'zero tolerance' towards fraud, bribery and corruption. 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. The Company policy makes it clear that any conduct falling within the definition of fraud, bribery or corruption will be thoroughly investigated and NRW will seek to take disciplinary and/or legal action against those who perpetrate, are involved in, or assist with fraudulent or other improper activities in any of our operations.

## MODERN SLAVERY

The Company acknowledges its inherent responsibility to act ethically and do our part to respond to social and human rights issues, including modern slavery. The Company seeks to integrate respect for human rights into the way we operate to continuously improve our business and the way we deliver work. This commitment is reflected in our Code of Conduct, which was updated to include an express commitment regarding the Modern Slavery Act.

The Company publishes an annual Modern Slavery Statement which outlines the steps the Company has taken to trace, monitor and address modern slavery risks in our operations and supply chains. The Modern Slavery Statement is prepared having regard to the requirements of the Modern Slavery Act 2018 (Cth) and to the 'Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities'.

The Company has a dedicated Modern Slavery Working Group to assist the Company in meeting its modern slavery reporting obligations, and to focus on continuously improving our understanding of modern slavery risks in our operations and supply chains. The Group works to raise awareness of the issue throughout our operations and supply chains and thereby support efforts to combat it by tracing, monitoring and addressing the risk of modern slavery practices.



Workshop Employee, AES Equipment Solutions

# GOVERNANCE PRINCIPLES CONTINUED

## 4

### SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

#### INTEGRITY OF FINANCIAL REPORTING

The Audit and Risk Committee meets at least four times per year, including immediately prior to the release of the half year and full year financial statements. The Audit and Risk Committee reviews the integrity of the Company's financial statements and satisfies itself that the Company's financial reports comply with Australian accounting standards and give a true and fair view of the Company's financial condition and operational results.

Prior to the half year and full year financial statements being approved by the Board, the Chief Executive Officer and Chief Financial Officer are each required to provide a written declaration of their opinion as to whether:

- the financial records for the relevant reporting period have been properly maintained;
- the financial statements and notes for the relevant reporting period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of NRW; and
- their opinion has been formed on the basis of a sound risk management system and internal controls which are operating effectively.

This declaration is provided to the Board in accordance with Section 295A of the Corporations Act (Cth) 2001, and recommendations 4.2 of the ASX Principles and Recommendations.

The Board received these written declarations for the Company's half year and full year reporting periods in FY23.

#### EXTERNAL AUDITOR

The Company has appointed Deloitte Touche Tohmatsu (Deloitte) as the Group's external auditor. Deloitte's policy is to rotate the lead audit partner every five years.

The Audit and Risk Committee is responsible for engaging the Company's external auditor and overseeing the relationship with Deloitte. The external auditor's responsibilities include the provision of an independent opinion on whether, amongst other things, the Groups' financial statements provide a true and fair view of the Group's financial position and performance.

Deloitte provided the Board with an annual and half year opinion confirming its continued independence during FY23.

To assist with maintaining auditor independence, NRW does not engage (except where required) Deloitte to perform non-audit services. The value of payments made to Deloitte for all audit and non-audit services (if any) are disclosed in NRW's 2023 Annual Report.

Deloitte will attend the Company's Annual General Meeting and will be available to answer questions from shareholders relevant to the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by NRW in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

#### VALIDATION OF PERIODIC CORPORATE REPORTS

The Company has processes in place to verify the integrity of all Company announcements and unaudited periodic reports released to the market to ensure that they are complete, accurate and provide investors with appropriate information to make informed investment decisions. This is done by the Company's General Manager of Corporate Reporting who oversees the process.

To ensure that all applicable laws, regulations and policies are complied with, reports are prepared by, or under the supervision of, subject matter experts and any material statements in the reports are reviewed for accuracy by the Executive Management Team.



# GOVERNANCE PRINCIPLES CONTINUED

5

## MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The Company recognises that transparency and disclosure are vital to enabling current and future shareholders to make informed investment decisions and exercise their rights. Therefore, the Board is committed to providing shareholders and the market with equal and timely access to material information concerning the Company in a factual, clear and balanced way.

## CONTINUOUS AND PERIODIC DISCLOSURE

The Board mandates timely and equal access to material information concerning the Company. This is affected through NRW's Continuous Disclosure Policy which imposes obligations and procedures on all directors, employees and consultants of the Company to ensure the timely and balanced disclosure of all material matters. NRW's Continuous Disclosure Policy was last reviewed in 2023 and is available on the Group's website ([www.nrw.com.au/about-us/corporate-governance/](http://www.nrw.com.au/about-us/corporate-governance/)).

The Group's continuous disclosure policy ensures:

- the Company is able to meet its continuous disclosure obligations arising from legislation and under the ASX Listing Rules;
- clarifies accountability of NRW's senior executives; and
- promotes investor confidence in the integrity of NRW and its securities.

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

The Board is advised promptly of any proposed market releases and electronically receives a copy of any release made on the ASX platform.

Key periodic shareholder communications include the Company's Annual Report, Sustainability Report, Modern Slavery Statement and its Full Year and Half Year Financial Statements.

## INVESTOR PRESENTATIONS

All new or substantive presentations, including investor or analyst presentations, are released to the ASX Market Announcements Platform before trading on the day the presentation is to be made.

# GOVERNANCE PRINCIPLES CONTINUED

6

## RESPECT THE RIGHTS OF SECURITY HOLDERS

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

## SHAREHOLDER ENGAGEMENT

The Company recognises the importance of providing shareholders with access to up-to-date, high-quality information, to participate in shareholder decisions of the Company, and avenues for two-way communication between the Company, the Board and shareholders. The Company is therefore committed to ensuring that shareholders have access to accurate, timely and effective information about the Company and its governance both through its website and other communication mediums.

The Company maintains a website which contains information regarding the Group, Directors and management, business operations and corporate governance policies adopted by the Company. It also includes a dedicated 'Investors and Media' centre at [www.nrw.com.au/investors-2](http://www.nrw.com.au/investors-2) where all stakeholders can readily access information including ASX announcements, investor presentations, annual reports, financial results and limited media information.

## INVESTOR RELATIONS

The Company maintains an investor relations program to facilitate effective two-way communication with institutional investors, market analysts and brokers. The aim of this program is to allow investors, market analysts and brokers to understand NRW's business, governance, financial performance and prospects.

Through a number of channels and technologies, including email, webcasts and social media, the Company allows shareholders and investors to participate and have their enquiries heard. The Company Secretary is responsible for investor relations activities with the assistance of the broader Executive Management Team.

The Company hosts investor briefings at half year and full year to discuss the information released to the market via the ASX and to provide background information to further assist their understanding of the Company's business. The Company does not disclose or discuss any price sensitive information unless it has already been released to the market via the ASX. Before giving any new and substantive investor or analyst presentations, the Company releases a copy of the presentation and accompanying materials to the ASX.

## ELECTRONIC COMMUNICATION

The Company gives shareholders the option to receive communications from, and send communications to, the Company and its Share Registry, Link Market Services, electronically. This includes the Company's Annual Report.

The Share Registry also gives shareholders the option to update their details electronically via their website, including change of address and any changes to bank details for the payment of dividends.

## ANNUAL GENERAL MEETINGS

The Board recognises the importance of shareholder participation in general meetings. The Board actively encourages shareholders to attend and participate in the Annual General Meeting of the Company, which is typically held in November of each year, by lodging questions to be responded to by the Board and to appoint proxies.

Shareholders who are unable to attend the Annual General Meeting are still able to, before the meeting, appoint a proxy or vote by way of direct voting facility. Security holders are also invited to submit questions in advance of the Annual General Meeting so that the Company can appropriately address these questions either before or during the meeting.

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.

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

# GOVERNANCE PRINCIPLES

## CONTINUED

7

### RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Risk is an inherent part of NRW's business and management of risk is therefore critical to the Company's ability to deliver sustainable shareholder returns. The Company recognises the importance of risk management and has specific policies and procedures in place to standardise its focus and approach in this area, which includes alignment with ISO 31000:2018 as well as the ASX Principles and Recommendations.

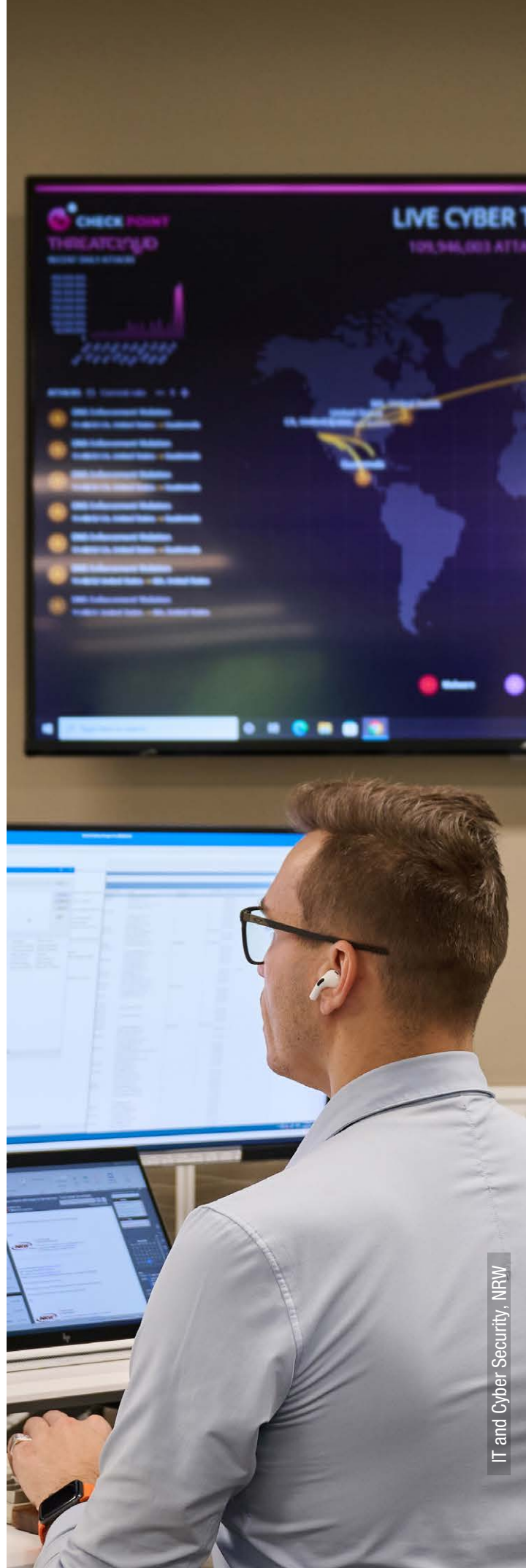
### RISK OVERSIGHT

The Board is responsible for setting the Company's risk appetite 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. It is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Board has established the Audit and Risk Committee to assist in discharging this responsibility.

The Audit and Risk Committee advises the Board on risk management and is tasked with reviewing the effectiveness of the Group's approach to risk management. The Audit and Risk Committee reviews the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board. The Audit and Risk Committee is governed by a Committee Charter which is available on the Company's website. In order to discharge its duties, the Audit and Risk Committee obtains regular reports from the Executive Management Team, external auditors and other areas of the Company (as required) and has access to the Company's records, management, employees, external auditors and advisors in fulfilling its responsibilities.

The Managing Director and Group Executive Team implement the Board approved risk management framework and manage the Company's operations within the approved risk appetite. This group is responsible for identifying, managing, monitoring, mitigating and reporting on risks. The Company has effective internal capability to support the ongoing execution of the risk management framework which includes regular identification and assessment of key risks (both financial and non-financial) and mitigating controls, as well as strategies to appropriately manage current and emerging risks.

In August 2023, the NRW Board resolved to separate the audit and risk function through the formation of a separate Risk Committee. Oversight of the Risk Committee will be formalised in FY24, when the Risk Committee will begin to meet.





# GOVERNANCE PRINCIPLES CONTINUED

## RISK MANAGEMENT FRAMEWORK

The Company's risk management framework is an important element of its corporate governance structure and is in place to identify risks and implement mitigation plans to eliminate or reduce the impact to the Company in meeting its objectives. The framework encompasses (along other matters) the risk governance structure, risk culture and behaviours, and supporting frameworks and processes governing risk identification, assessment, monitoring and reporting. The objective of the Company's risk management framework and controls is to:

- have risk management policies and procedures in place to provide 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.
- 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 ROLE OF INTERNAL AUDIT

The Company is tasked with ongoing evaluation of risk profiles across the business. The Company does not have a dedicated internal audit function but does engage independent experts who are appropriately qualified auditors to key risk areas within the business when considered necessary. These independent experts are engaged by, and report directly through to the Audit and Risk Committee on all matters concerning the engagement.

## MATERIAL RISKS

The Audit and Risk Committee is of the view that the Company's risk management framework and internal control systems are operating effectively for the management of material business risks within the risk appetite set by the Board.

There are a number of risk factors both specific to the Company and of a general nature which may impact the future operating and financial performance of the Company. The performance of the Company is also influenced by a variety of different general economic and business conditions, including interest rates, exchange rates, access to debt and capital markets, and government policies.

Material risks that could adversely affect the Company have been identified and disclosed, along with commentary on the risk and mitigating actions. The risks are not listed in order of significance nor are they all encompassing, rather they reflect the most significant risks identified at an enterprise-wide or consolidated level. The Company's key business risks include, but as not limited to:

- Workplace Health and Safety
- Market
- Loss of Contracts/Reduction in Contract Scope
- Delivery Performance
- Access to Resources
- Financial
- Engineer Design
- Environmental, Social and Governance Responsibility
- Climate Related Risks
- Regulatory Compliance
- Intellectual Property
- Cyber Security and Data Protection
- Global Pandemic

NRW's exposure to environmental, social and governance related risks is considered in our assessment of material risks that could adversely affect the Company above. Further information on the Company's material risks, including how we manage these risks, is provided in the Corporate Governance and Risk Management section of NRW's 2023 Annual Report.

# GOVERNANCE PRINCIPLES CONTINUED

8

## REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

### REMUNERATION OVERSIGHT

The Company's remuneration strategy is aimed at motivating the Managing Director and Executive Management Team to pursue the long-term growth and success of the Company and demonstrate a clear relationship between performance and remuneration.

Our remuneration strategy is guided by our Remuneration Guiding Principles. The Board has adopted the following over-arching principles which recognise the importance of fair, effective and appropriate remuneration outcomes:

- **Alignment** - Alignment of the remuneration strategy with the interests of the Company's shareholders.
- **Attract and Retain** - The remuneration framework across NRW has been established and is regularly reviewed to ensure that the Company can attract and retain appropriate talent across our workforce.
- **Motivate** - Remuneration plans are structured to ensure that our top talent is rewarded for achieving both short and long term business objectives. The Company's short and long term variable reward is directly aligned to performance.
- **Appropriate** - Remuneration packages are established and reviewed regularly to ensure that they reflect contemporary trends in sectors and regions relevant to the operations of NRW.

The Board reviews, and as appropriate, approves the remuneration practices within the Company. The Board is responsible for the remuneration and remuneration outcomes for the Managing Director and Non-Executive Directors. The Board has established the Nomination and Remuneration Committee to assist it in discharging this responsibility.

The Nomination and Remuneration Committee is governed by a Committee Charter which is available on the Company's website. The Nomination and Remuneration Committee assists the Board in its oversight of the Company's remuneration policies and practices by making recommendations to the Board on the employment arrangements of the Managing Director and Executive Management Team, including their remuneration.

The Board expects that the remuneration structure implemented will result in the Company being able

to attract and retain high quality Executives. The remuneration strategy and framework must also provide Executives with the necessary incentives to work towards growing long-term shareholder value.

The Managing Director makes recommendations to the Nomination and Remuneration Committee regarding the remuneration of the broader Executive Management Team.

### REMUNERATION FRAMEWORK

Information regarding the Company's remuneration framework is set out in the Remuneration Report in the Company's Annual Financial Statements. The Remuneration Report includes a summary of the Company's practices for determining the nature and amount of remuneration for Non-Executive Directors, the Managing Director and broader Executive Management Team, and the relationship between those policies and Company Performance.

Shareholders are invited to consider and approve the Remuneration Report at each Annual General Meeting of the Company.

### Non-Executive Directors

The Nomination and Remuneration Committee provides assistance and recommendations to the Board relating to the remuneration of Non-Executive Directors of NRW. The Nomination and Remuneration Committee ensures 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.

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 remuneration packages of Non-Executive Directors are fee based. In accordance with the Company's Constitution and Listing Rule 10.17, the Company must not increase the total fee amount of Non-Executive Directors' remuneration payable by it without members' approval at a general meeting. The current maximum aggregate fee available to be paid to Non-Executive Directors is \$1,500,000, last approved at the 2021 Annual General Meeting.

Further information on NRW's remuneration framework, including the financial components of the Non-Executive Director's appointment, is contained in the Remuneration section of the Directors' Report in NRW's 2023 Annual Report.

# GOVERNANCE PRINCIPLES CONTINUED

## Managing Director and Executive Management Team

The Managing Director and the Executive Management Team have clearly defined objectives, accountabilities and employment contracts which set out their terms of employment, duties, rights and responsibilities, and entitlements on termination of employment.

The Nomination and Remuneration Committee reviews the Executive remuneration packages by reference to Company performance, individual performance and comparable information from industry reports. 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 Nomination and Remuneration Committee periodically as part of the review of Executive remuneration.

Further information on NRW's remuneration framework, including the financial components for the Managing Director and Executive Management Team is contained in the Remuneration section of the Directors' Report in NRW's 2023 Annual Report.

The Company's Terms and Conditions of the Performance Rights Plan provides that participants in equity-based remuneration plans are not permitted to enter into transactions that would limit the economic risk of options or other unvested entitlements. These Terms and Conditions are available on the Company's website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)).

## ENGAGEMENT OF INDEPENDENT CONSULTANTS

NRW seeks to engage external advisors to provide information on remuneration related issues, including with regards to benchmarking and market data. The Nomination and Remuneration Committee is mandated to engage external and independent remuneration advisors who do not have a relationship with or advise NRW management.

## EMPLOYMENT TERMS

Prior to the appointment of any Executive Management Team member, background checks are conducted to determine if the candidate has the capabilities needed and is fit and proper to undertake the responsibilities of the role.

## DIVERSITY AND INCLUSION

NRW's philosophy is that diversity contributes to business success. NRW recognises the benefits of having a diverse workforce and seeks to create an inclusive workplace environment where people's diverse experiences, perspectives, and backgrounds are valued and utilised in our business.

NRW aims to provide a work environment that promotes equal opportunity and diversity, allowing employees to reach their potential, in an environment that is free from discrimination, harassment and bullying through our Diversity Policy. This policy is available on the Company's website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)).

The Company has a diverse workforce in various geographic regions across Australia comprising employees from varied ethnic backgrounds, age groups, races and gender. NRW does not discriminate in its business practices including based on gender, age, ethnicity, religion or cultural background. The Company ensures that all employees are provided with the same opportunities through open and honest communication, training and development opportunities and annual remuneration reviews.

NRW's objective is to increase participation across a range of demographics to ensure the Company recruits and retains a skilled workforce and endorses a safe and productive working environment. NRW is particularly focused on maintaining and increasing diversity in the following key areas:

- Incrementally grow the number of women performing senior roles; and
- Assist Aboriginal and Torres Strait Islander Peoples to access employment opportunities.

## GENDER DIVERSITY

### Gender Diversity Target

The ASX Principles and Recommendations provide that the measurable objective for achieving gender diversity in Board composition for entities in the S&P/ASX 300 Index (such as the Company) should be to have not less than 30% of its directors of each gender within a specified time period.

The Nomination and Remuneration Committee is responsible for setting, reviewing and monitoring specific measurable objectives for achieving gender diversity. The Board has set a board gender diversity target of 33.33% female representation on the Board of Directors to be achieved by 31 December 2023.



# GOVERNANCE PRINCIPLES

## CONTINUED

### Gender Diversity Progress

The Board receives reports on the status of gender diversity across the organisation monthly. The following statistics outline the percentage of females employed throughout the Company for the current and previous financial year.

### Workplace Gender Equality Reporting

NRW is a “relevant employer” under the Workplace Gender Equality Act. The Company lodges its Workplace Gender Equality Report and discloses its “Gender Equality Indicators” to the Workplace Gender Equality Agency annually. The Company’s most recent report is available on the Company website ([www.nrw.com.au/about-us/corporate-governance](http://www.nrw.com.au/about-us/corporate-governance)), and also publicly available on the Workplace Gender Equality Agency website.

Diversity Metric	FY23	FY22
Female Board Participation Rate	20%	20%
Females in Senior Management Positions	10.84%	6.74%
Females in Workforce	16.57%	15.65%



Engineering Department Employees, OFI



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