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Board Charter

NRW Holdings Limited
ACN 118 300 217

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NRW Holdings Limited
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(**Company**)

Board Charter

1. Introduction

1.1 This Charter sets out the functions and responsibilities of the Board and management of the Company.

2. Definitions

2.1 In this Charter:

(1) **Board** means the board of directors of the Company;

(2) **Chair** means the chair of the Board;

(3) **Charter** means this Board Charter;

(4) **Constitution** means the Company's constitution;

(5) **Group** means the Company and its subsidiaries; and

(6) **Secretary** means the Company secretary.

3. Responsibilities of the Board

3.1 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. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:

(1) approving the strategic objectives of the Group and establishing goals to promote their achievement;

(2) monitoring the operational and financial position and performance of the Group;

(3) ensuring the directors inform themselves of the Group's business and financial status;

(4) establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria;

(5) providing oversight of the Company, including its control and accountability systems;

(6) exercising due care and diligence and sound business judgment in the performance of those functions and responsibilities;

(7) considering and approving the Group's budgets;

(8) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

(9) appointing and removing the Managing Director, monitoring performance and approving remuneration of the Managing Director and the remuneration policy and succession plans for the Company's Managing Director;

(10) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;

(11) monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;

(12) ensuring that business risks facing the Group are, where possible, identified and that appropriate monitoring and reporting internal controls are in place to manage such risks;

(13) approving and monitoring financial and other reporting; and

(14) ensuring the Company complies with its responsibilities under the Corporations Act, the ASX Listing Rules, the Company's Constitution and other relevant laws.

4. Composition of the Board

4.1 Size

The number of Directors of the Company is to be not less than 3 but no more than 9. The Company at a general meeting may by resolution increase or reduce the number of Directors but the number must not be reduced below 3.The Board is comprised of carefully selected individuals whose experience and skill base is commensurate with the requirements and profile of the Company.

4.2 **Independent directors**

(1) The Chairman of the Board shall be an independent, non-executive director and the majority of Directors on the Board must be independent and non-executive Directors.

(2) An independent director is non-executive when he or she is not a member of management and when he or she:

(a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the *Corporations Act 2001);*

(b) has not, within the last 3 years, been employed in an executive capacity by a member of the Group, or been a director after ceasing to hold any such employment;

(c) has not, within the last 3 years, been a principal of a material professional adviser or a material consultant to the Group, or an employee materially associated with the service provided;

(d) is not a material supplier or customer of the Group, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;

(e) has no material contractual relationship with the Group other than as a director of the Company;

(f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and

(g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

4.3 **Expertise**

(1) The Board shall ensure that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including:

(a) accounting;

(b) finance;

(c) business;

(d) experience in the biodiesel industry;

(e) risk management;

(f) public company experience; and

(g) managing director level experience.

(2) The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

5. Appointment of directors

5.1 Directors are appointed in accordance with the terms of the Constitution.

5.2 The terms and conditions of the appointment and retirement of members of the Board will be set out in a letter of appointment, which shall include the following matters:

(1) the term of the appointment, subject to member approval;

(2) time commitments envisaged;

(3) the powers and duties of directors;

(4) any special duties or arrangements attaching to the position;

(5) circumstances in which an office of director becomes vacant;

(6) expectations regarding involvement with committee work;

(7) remuneration and expenses;

(8) superannuation arrangements;

(9) the requirement to disclose directors' interests and any matters which affect the director's independence;

(10) fellow directors;

(11) trading policy governing dealings in securities (including any share qualifications) and related financial instruments by directors, including notification requirements;

(12) induction, training and continuous education arrangements;

(13) access to independent professional advice;

(14) indemnity and insurance arrangements;

(15) confidentiality and rights of access to corporate information; and

(16) a copy of the Constitution.

6. Independent professional advice

6.1 To facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense. However, prior approval from the Chair is required, which may not be unreasonably withheld.

7. Allocation of responsibilities

7.1 Chair

(1) The Board elects the Chair in accordance with the Constitution. A deputy chair (**Deputy Chair**) may also be elected.

(2) The Chair will be an independent director who is selected on the basis of the person's achievements and record as a leader.

(3) The roles of the Chair and the Managing Director may not be exercised by the same individual.

(4) The position of Chair will be reviewed by the Board at the first Board meeting following the annual general meeting.

(5) 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.

(6) The Chair's specific duties are to:

(a) chair Board meetings. If the Chair is not present within 15 minutes after the time appointed for the holding of that meeting, the Deputy Chair will assume this role; if the Deputy Chair is not present, a director chosen by a majority of directors present shall assume this role;

(b) establish the agenda for Board meetings in consultation with the Managing Director;

(c) ensure Board minutes properly reflect Board decisions;

(d) be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures; the Managing Director or the Managing

Director's nominee will undertake all other public relations activities;

(e) make a reasonable effort to become and remain familiar with the affairs of the Company;

(f) chair the Managing Director evaluation process through the Remuneration Committee; and

(g) commence the annual process of Board and director evaluation.

(7) The Chair is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Constitution.

(8) The Chair may be removed from office in accordance with the Constitution.

7.2 **Individual directors**

In accordance with statutory requirements and in keeping with developments at common law, directors have the following responsibilities:

(1) exercise their powers and discharge their duties in good faith and in the best interests of the Company;

(2) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;

(3) use due care and diligence;

(4) make a reasonable effort to become and remain familiar with the affairs of the Company;

(5) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and

(6) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors to fulfil these duties.

7.3 **The Managing Director**

(1) The Managing Director is appointed by the Board.

(2) The Managing Director is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.

(3) The Managing Director's responsibilities include:

(a) developing with the Board, the Group's vision and direction;

(b) constructing, with the Company's management team, programs to implement this vision;

(c) negotiating the terms and conditions of appointment of senior executives;

(d) appointing the senior management team;

(e) endorsing the terms and conditions of appointment of all other staff members;

(f) providing strong leadership to, and effective management of, the Company in order to:

(i) encourage co-operation and teamwork;

(ii) build and maintain staff morale at a high level; and

(iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;

(g) ensuring a safe workplace for all personnel;

(h) ensuring a culture of compliance generally, and specifically in relation to environmental matters;

(i) carrying out the day-to-day management of the Company;

(j) forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Group;

(k) keeping the Board informed, at an appropriate level, of all the activities of the Group; and

(l) ensuring that all personnel act with the highest degree of ethics and probity.

(4) The Board has formally delegated power to the Managing Director in accordance with a Statement of Delegated Authority approved by the Board.

7.4 **Secretary**

(1) The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

(2) The Secretary is appointed in accordance with the Constitution.

(3) The specific tasks of the Secretary include:

(a) overseeing the Company's compliance program and ensuring all Company legislative obligations are met;

(b) ensuring that the agenda and briefing materials for Board meetings are prepared and forwarded to directors in a timely and effective manner;

(c) recording, maintaining and distributing the minutes of all Board and Board subcommittee meetings as required;

(d) preparing for and attending all general meetings of the Company and ensuring that the correct procedures are followed;

(e) recording, maintaining and distributing the minutes of all annual and extraordinary general meetings of the Company;

(f) meeting statutory reporting requirements in accordance with relevant legislation; and

(g) any other services the Managing Director or Chair may require.

8. Managing Director and Chief Financial Officer assurances

8.1 It is the responsibility of both the Managing Director and the Chief Financial Officer to provide written assurances to the Board that in all material respects:

(1) the financial reports submitted to the Board present a true and fair view of the Group's financial condition and operational results; and

(2) the Group's risk management and internal compliance and control system is operating efficiently and effectively.

9. Committees

9.1 Establish committees

To assist with the execution of its responsibilities, the Board has the authority to establish and determine the powers and functions of the committees of the Board, including the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

9.2 Audit and Risk Management Committee

The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Management Committee are documented in a separate Audit and Risk Management Committee Charter approved by the Board.

9.3 Nomination and Remuneration Committee

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are set out in detail in a Nomination and Remuneration Committee Charter approved by the Board.

9.4 Code of Conduct for Directors and Key Officers

To promote ethical and responsible decision-making, the Board has approved a Code of Conduct for Directors and Key Officers (including the Managing Director, the Chief Financial Officer and other key executives) as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

(1) The Code of Conduct for Directors and Key Officers deals with the following main areas:

(a) integrity and professionalism;

(b) conflicts of interest;

(c) confidentiality;

(d) fair dealing;

(e) compliance with laws and regulations;

(f) inside information; and

(g) encouraging the reporting of unlawful, unethical behaviour.

(2) Directors and the senior management team must comply with the Code of Conduct and demonstrate commitment to the Code and

consistency in its execution. Adherence to the Code of Conduct must be periodically evaluated and intermediate action taken where necessary.

9.5 Code of conduct covering obligations to stakeholders

The Board has established, and will disclose the terms of, a code of conduct (**Code**) to guide compliance with legal and other obligations to legitimate stakeholders.

(1) The Code includes:

(a) responsibilities to shareholders;

(b) responsibilities to clients, customers and consumers;

(c) employment practices;

(d) obligations relative to fair trading and dealing;

(e) responsibilities to the community;

(f) how the Company complies with legislation affecting its operations; and

(g) how the Company monitors and ensures compliance with the Code.

10. Policies

10.1 Establish policies

The Board (or appropriate Board committee) is responsible for establishing policies relating to the following matters.

10.2 Delegation of authority

The Company's statement of delegated authority sets out the Company's policy relevant to the delegation of authority to management to conduct the day-to-day management of the Company.

10.3 Securities trading

(1) The Company's securities trading policy (**Securities Trading Policy**) documents the Company's policy relevant to trading in company securities by directors and senior executives.

(2) The Securities Trading Policy clearly identify those individuals who are restricted from trading, the relevant laws relating to trading, and include a coherent strategy for trading.

10.4 **Communications strategy with shareholders**

(1) The Company's communications strategy (**Communications Strategy**) is designed to promote effective communication with shareholders and encourage participation at general meetings.

(2) The Communications Strategy includes policies and procedures relating to use of the Company's website as a means of communicating with shareholders.

10.5 **Disclosure**

(1) The Company's disclosure policy (**Disclosure Policy**) is designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

(2) The Disclosure Policy includes vetting and authorisation processes designed to ensure that Company information:

(a) is disclosed in a timely manner;

(b) is factual;

(c) does not omit material information; and

(d) is expressed in a clear and objective manner that allows the input of the information when making investment decisions.