NRW Holdings Limited
ABN 95 118 300 217

Notice of Annual General Meeting

Notice is given that the 2017 Annual General Meeting of the NRW Holdings Limited will be held at the Duxton Hotel, 1 St Georges Terrace, Perth on Monday 20th November 2017 at 10.00am (Perth time).

The Explanatory Memorandum, which accompanies and forms part of this Notice, describes in more detail the matters to be considered. Shareholders should read the Explanatory Memorandum in full.

Items of business

1. **Financial statements and Directors' and auditors' reports**

   To receive and consider the financial statements of the Company for the period ended 30 June 2017, together with the Directors' report and the auditors' report as set out in the 2017 Annual Report.

2. **Re-election of Mr Michael Arnett**

   To consider and, if thought fit, pass the following as an ordinary resolution: (**Resolution 1**)

   "That Mr Michael Arnett, who retires in accordance with rule 5.1 of the Constitution and being eligible, is re-elected as a Director"

3. **2017 Remuneration Report**

   To consider and, if thought fit, pass the following as an ordinary resolution: **(Resolution 2**)

   "That the 2017 Remuneration Report be adopted."

4. **Special Business**

   To consider and if thought appropriate, pass the following resolution as a special resolution: (**Resolution 3)**

   That:

   1. the Company approves for all purposes, including section 260B(2) of the Corporations Act 2001 (Cth) ("Corporations Act"), the giving of financial assistance by the companies listed below ("**Subsidiaries**") in connection with NRW Mining Pty Ltd (ABN 86 117 524 277) ("**Bidco**") (a subsidiary of the Company) acquiring the entire issued share capital of Golding Group Pty Ltd (ABN 97 129 247 025) ("**Target**") ("**Acquisition**") pursuant to the Share Sale Agreement dated 11 August 2017 between the persons listed in schedule 1 to that agreement, Bidco, the Target and the Company, including, without limitation:

      - in each case, being joined as a guarantor to the facility agreement dated 11 August 2017 between, among others, Bidco (as Borrower) and Commonwealth Bank of Australia trading as Bankwest (ABN 48 123 123 124) (as Lender);

      - in each case, being joined as a borrower and guarantor to the facility agreement (multi-option facility) dated 16 December 2016 between, among others, Bidco (as Borrower), the Company and the Lender, as amended from time to time;

      - in each case, being joined as a guarantor to the Note Trust Deed dated 15 December 2016 between, among others, the Company and AMAL Trustees Pty Limited (ABN 98 609 737 064) ("**Note Trust Deed**") and an obligor to the Security Trust Deed dated 15 December 2016 between, among others, the Company and AMAL Security Services Pty Limited (ABN 48 609 790 758) ("**Security Trust Deed**");

- in each case, being joined as an indemnifier to the deed of indemnity dated 24 July 2017 between, among others, the Company, Bidco and Liberty Mutual Insurance Company trading as Liberty International Underwriters and others;

- in each case, being joined as an indemnifier to the deed of indemnity dated 25 February 2015 between, among others, the Company, Bidco and CGU Insurance Limited and others;

- in each case, granting security over all of its assets from time to time by way of security for all of the Subsidiaries liabilities from time to time to the parties from time to time to the Security Trust Deed,

as described in the Disclosure Statement accompanying the Notice of Annual General Meeting convening this meeting; and

2. the Subsidiaries may from time to time enter into and give effect to any documentation and transactions comprising or otherwise connected with any financial assistance described above or in the Disclosure Statement accompanying the Notice of Annual General Meeting convening this meeting."

Subsidiaries

1. Golding Group Pty Ltd ABN 97 129 247 025.

2. Golding Finance Pty Limited ABN 54 128 839 056.

3. Golding Employee Equity Pty Limited ACN 134 623 680.

4. Golding Contractors Pty Ltd ABN 88 009 734 794.

5. Executive Incentive Scheme (Mr Julian Pemberton – CEO & Managing Director)

To consider and, if thought fit, pass the following as an ordinary resolution: (**Resolution 4**)

"That for the purposes of Listing Rule 10.14, section 200B and 200E of the Corporations Act and for all other purposes, approval is hereby given for the grant to Mr Julian Pemberton, Managing Director of 6,412,500 Performance Rights under the terms of the "NRW Holdings Limited Performance Rights Plan" and as described in the Explanatory Memorandum."

6. One off Issue of Performance Rights to Mr Julian Pemberton in recognition of the Golding acquisition and Business Restructure.

To consider and, if thought fit, pass the following as an ordinary resolution: (**Resolution 5**)

"That for the purpose of Listing Rule 10.14, section 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,250,000 Performance Rights to Mr Julian Pemberton for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting."

7. Ratification of Share Issue.

To consider and, if thought fit, pass the following as an ordinary resolution: **(Resolution 6)**

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve the issue of 36,800,000 ordinary shares under the Placement announced on 20th September 2017 and summarised in the accompanying Explanatory Notes'."

Important Note to Shareholders:

Resolution 2 is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the 2017 Remuneration Report at the 2017 Annual General Meeting when reviewing the Company's remuneration policies.

Voting Prohibition

A vote on Resolutions 2, 4 and 5 must not be cast (in any capacity) by or on behalf of any of the following persons:

a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;

b) a closely related party of such a member or,

c) a director of the entity - in the case of a trust, the responsible entity - (except one who is ineligible to participate in any employee incentive scheme in relation to the entity)

However, a person described above may cast a vote on Resolution 2, 4 and 5 as a proxy if the vote is not cast on behalf of a person described above and either:

c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or

d) the person is the Chairman of the AGM and the appointment of the Chairman as proxy:

i. does not specify the way the proxy is to vote on the resolution; and

ii. expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolutions 4 and 5

In accordance with ASX Listing Rules 10.13.6 and 14.11, the Company will disregard any votes cast on Resolution 4 or Resolution 5 by Mr Julian Pemberton and any of his associates.

However, the Company will not disregard a vote cast on Resolution 4 or Resolution 5 if it is cast:

(a) as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6

In accordance with ASX Listing Rules 7.5.6 and 14.11, the Company will disregard any votes cast on Resolution 6 by:

- a person who participated in the issue of securities referred to in Resolution 6; and
- an associate of that person.

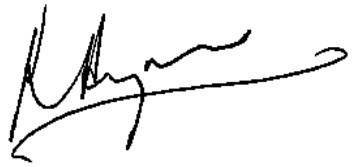
(each of whom will be a 'Resolution 6 Prohibited Person').

However, the Company will not disregard a vote cast on Resolution 6 if:

(a) it is cast by a Resolution 6 Prohibited Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by a Resolution 6 Prohibited Person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board



Kim Hyman
Company Secretary
16 October, 2017

Voting

Voting entitlements

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the 2017 Annual General Meeting will be based on registered holdings set out in the Company's share register as at 10.00 am (Perth time) on Saturday 18th November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the 2017 Annual General Meeting.

How to vote

You may vote by attending the 2017 Annual General Meeting in person, by proxy, attorney or authorised representative (in the case of a company).

Voting in person

A Shareholder that is an individual may attend and vote in person at the 2017 Annual General Meeting. If you wish to attend the 2017 Annual General Meeting, please bring the enclosed proxy form to the 2017 Annual General Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the 2017 Annual General Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the 2017 Annual General Meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry or at www.linkmarketservices.com.au.

Voting by proxy

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. A proxy form is enclosed with the Notice. If an additional proxy form is required, the Company's share register will supply it on request. You should complete the proxy form if you do not wish to attend the 2017 Annual General Meeting and wish to appoint a proxy to attend and vote on your behalf. If you intend to attend the 2017 Annual General Meeting, you do not need to complete the proxy form. However, please bring the proxy form with you to the Meeting to assist with your registration.

To be valid, the proxy form must be signed in accordance with the instructions set out on the proxy form. To be valid, your proxy form (and any power of attorney under which it is signed) must be received by 10.00am (Perth time) on Saturday the 18th November 2017 and can be returned in the reply paid envelope provided, deposited at the share registry of the Company, Link Market Services Limited, at Locked Bag A14, Sydney South NSW 1235 or hand delivered to 1A Homebush Bay Drive, Rhodes NSW 2138, or sent by facsimile to Link Market Services Limited on +61 2 9287 0309 or lodged online. To lodge your proxy online, go to www.linkmarketservices.com.au. Select Investor Login and in the 'Single Holding' section enter NRW Holdings Limited or NWH as the Issuer Name and enter your holding details as shown on your proxy form (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode as shown on the front of your Proxy Form), enter the security code and follow the prompts to lodge your vote. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

You may still attend the 2017 Annual General Meeting even if you have appointed a proxy. However, your proxy's authority to speak and vote for you at the meeting is suspended while you are present at the meeting.

Appointing a second proxy

If you are entitled to 2 or more votes, you may appoint up to 2 persons to act as your proxy to attend and vote on your behalf. If you wish to do this, you must use a separate proxy form in respect of each proxy and indicate the percentage of your voting rights or the number of Shares that each proxy is appointed in respect of on the proxy forms. If the appointment does not specify the proportion or the number of the Shareholders' votes each proxy may exercise half of the votes. You should photocopy the enclosed proxy form or request the Company's share registry to send an additional proxy form.

Directing your proxy how to vote

If you wish to direct your proxy how to vote on any or all of the resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that resolution and your votes will not be included on a show of hands or on a poll.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote (particularly in relation to item 3 (Remuneration Report) by placing a mark "X" in the "For", "Against" or "Abstain" box on the proxy form for each item of business.

If you appoint the Chairman of the 2017 Annual General Meeting as your proxy, but do not give directions on how to vote on a particular resolution, the Chairman will vote in accordance with his stated voting intentions.

In respect of resolutions 1 to 6, if you appoint the Chairman as your proxy, but do not give directions on how to vote in relation to the resolution, you will be authorising the Chairman to vote in accordance with his stated voting intention, which is to vote in favour of resolutions 1 to 6.

Attorneys

If an attorney for a Shareholder is to vote at the 2017 Annual General Meeting the instrument conferring the power of attorney or a certified copy must be provided to the Company in the same manner as proxies not later than 48 hours before the time for holding the 2017 Annual General Meeting.

Questions from Shareholders

About the management of the Company and on the Remuneration Report

The Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and on the 2017 Remuneration Report. If you would like to submit a question on these matters prior to the 2017 Annual General Meeting for it to be addressed at the 2017 Annual General Meeting, you may email your question to the Company Secretary at kim.hyman@nrw.com.au.

About the Auditors' Report and conduct of the audit

Deloitte, as the auditor responsible for preparing the auditors' report for the period ended 30th June 2017 will attend the 2017 Annual General Meeting. The Chairman will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the 2017 Annual General Meeting about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to Deloitte to be answered at the 2017 Annual General Meeting in relation to the content of the auditors' report or the conduct of the audit of the Company's financial statements for the period ended 30 June 2017.

Written questions of the auditor must be received no later than 5 Business Days before the 2017 Annual General Meeting and may be submitted in the reply paid envelope provided, deposited at the share registry of the Company, Link Market Services Limited, at Locked Bag A14, Sydney South NSW 1235 or hand delivered to 1A Homebush Bay Drive, Rhodes NSW 2138, or sent by facsimile to Link Market Services Limited on +61 2 9287 0309. A list of qualifying questions will be made available to Shareholders attending the 2017 Annual General Meeting.

Explanatory Memorandum

This Explanatory Memorandum contains background material to assist Shareholders in relation to the items of business to be considered at the 2017 Annual General Meeting and in deciding how to vote on the resolutions set out in this Notice.

Item 1 Financial and other reports

The Corporations Act requires the Directors to lay before the 2017 Annual General Meeting the financial statements, the Directors' report and the auditor's report for the last financial year that ended before the 2017 Annual General Meeting. These reports are contained in the 2017 Annual Report which has been released to the ASX and is available from the Company's website www.nrw.com.au.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders at the 2017 Annual General Meeting.

Item 2 Re-election of Mr Michael Arnett (Resolution 1.)

Rule 5.1 of the Constitution requires that at the 2017 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. Pursuant to rule 5.4 of the Constitution, a retiring Director is eligible for re-election without the necessity of giving any previous notice of his intention to submit himself for re-election.

Mr Arnett was appointed as a Director on 27 July 2007 and appointed Chairman on 9 March 2016.

Mr Arnett is a former consultant to, partner of and member of the Board of Directors and national head of the Natural Resources Business Unit of the law firm Norton Rose (formally Deacons). He has been involved in significant corporate and commercial legal work for the resource industry for over 20 years.

Mr Arnett has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- *Chairman, New Guinea Energy Ltd (finished July 2015)*

Item 3 Remuneration Report (Resolution 2.)

Section 250R(2) of the Corporations Act requires that a resolution that the 2017 Remuneration Report be adopted be put to the vote at the 2017 Annual General Meeting.

The 2017 Remuneration Report is set out on pages 10 - 15 of the 2017 Annual Report. The 2017 Remuneration Report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company for the 2016-2017 financial years.

The vote on this resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the 2017 Remuneration Report at the 2017 Annual General Meeting when reviewing the Company's remuneration policies.

The Board does not make any recommendations to Shareholders in relation to this resolution as it is intended to provide guidance to the Board.

Item 4 **Special Business – Financial Assistance (Resolution 3.)**

For further information, please refer to the Disclosure Statement set out in Annexure A and made in accordance with section 260B(4) of the Corporations Act, which forms part of this notice of general meeting.

As previously announced to the ASX, NRW, through its wholly owned subsidiary, NRW Mining Pty Ltd has acquired the entire issued share capital of Golding Group Pty Ltd ABN 97 129 247 025 ("Golding"). As a result of the acquisition ("Acquisition"), Golding and its subsidiaries have become wholly owned subsidiaries of the Company.

NRW obtained debt financing of $48 million from its lead banker, to assist it to fund the Acquisition. It is a condition of this financing that Golding and each of its Subsidiaries must grant security over their respective assets and must provide cross guarantees and various other representations, warranties and undertakings in support of this financing.

As a condition of the Acquisition, the existing arrangements entered into by Golding and its subsidiaries in relation to performance guarantees were also transitioned to new arrangements. Golding and its subsidiaries are required to provide indemnities to Liberty Mutual Insurance Company (trading as Liberty International Underwriters) and CGU Insurance Limited in support of these new arrangements.

The entry into these financing arrangements constitutes the giving of 'financial assistance' by Golding and each Golding subsidiary in connection with NRW's acquisition of all of the issued share capital of Golding. Such 'financial assistance' is permitted only in certain circumstances, one of which is where the financial assistance is approved by the Company's shareholders. Obtaining this shareholder approval is also a condition of the Acquisition financing referred to above.

Accordingly, item 4 seeks shareholder approval for these arrangements following which (and assuming item 4 is passed) Golding and its subsidiaries will become parties to finance documents and provide various support for the financing arrangements, as set out in more detail in the Disclosure Statement in Annexure A.

Shareholder approval is commonly sought following an acquisition such as this in which the target company and its subsidiaries provide security and other support for the financing of the acquisition.

Item 5 **Executive Incentive Scheme - Mr Julian Pemberton – CEO & Managing Director (Resolution 4.)**

Resolution 4. seeks shareholder approval, in accordance with Listing Rule 10.14, to issue performance rights to Mr Julian Pemberton under the "NRW Holdings Limited Performance Rights Plan" ("Plan").

The Board believes that an equity based long term incentive is an important component of Mr Pemberton's remuneration as it ensures an appropriate proportion of his remuneration is aligned with generating long term returns for shareholders.

The proposed award is part of a restructured remuneration package which recognises the enlarged organisation following the successful acquisition of Golding. Mr Pemberton's fixed remuneration will be increased to $950,000. The short term component of Mr Pemberton's overall remuneration will remain unchanged at 50%. The proposed grant is structured to re-establish a long term incentive scheme with objectives extending over a 3-year period to July 2020.

The following information is provided as background in support of the proposal. No long term awards were granted in 2015. A revised incentive plan was introduced in 2016, (which was also used in 2017) structured to meet the challenging business environment which NRW faced over the last three financial years. The scheme which included a combination of cash and share based awards required the achievement of business objectives over a relatively short term performance horizon of 12 months with some objectives deliverable over a 28-month period.

This proposed grant of Performance Rights will form the basis of the next three years of the long term component of Mr Pemberton's remuneration. The Board does not anticipate proposing further share based awards other than for performance periods beyond 2020. The Board considers this grant to be appropriate given the progress made in restructuring the balance sheet and the two acquisitions completed in the last 12 months which have contributed to a significant increase in shareholder returns over the same period.

Performance Rights proposed to be awarded to Mr Pemberton are in 3 Tranches of 2,137,500 each. The value of the award is based on 180% of Mr Pemberton's fixed remuneration. The quantum of Rights to be awarded is based on 80 cents per share being the 60 day VWAP up to and including the day the FY17 results were released. The duration of the three Tranches are for one, two and three years respectively.

The Board has set a series of challenging performance hurdles for each of the three tranches based on increasing shareholder value measured by Total shareholder returns. The specific share price targets which form the key metric in the performance hurdle are not disclosed due to confidentiality however the Board can confirm that the hurdles set would require TSR to double, (based on the 80 cent award share price).

If the performance targets are not met for any tranche the performance period will be extended by one year, however the quantum of Rights awarded will be reduced by 25%.

The notional cost of the Performance Rights cannot be accurately determined as the valuation methodology is dependent on a number of factors some of which are subject to the timing of the award. However, the Board has estimated the potential share based payment cost at between $500,000 to $800,000 per tranche.

The following information is provided to add some context to this cost. Total shareholder returns would have to increase by at least $400 million to achieve the maximum number of rights in this proposed award. This increase is based on the $261 million market capitalisation of NRW using a share price based on the VWAP for the 60-day period up to an including the day the FY17 results were announced, (being 80 cents) multiplied by the number of shares on issue in the same period, (being 321.8 million shares).

Other key provisions of the Performance Rights Plan

If Mr Pemberton's employment with NRW ceases for reasons other than death or permanent disability, any unvested Performance Rights will lapse and expire unless the Board of NRW considers it appropriate in the circumstances to consider the vesting of any unvested shares. Where a KMP has died or becomes permanently disabled, the Board may determine that the Performance Rights will not lapse and will be tested against the Vesting Conditions on the applicable vesting dates.

Upon change of control occurring in respect of NRW, the number of Performance Rights that can vest will be reduced to reflect the period of time elapsed. For example, if a takeover of NRW becomes unconditional two years after a grant of Performance Rights was made and that award was eligible for vesting at the third anniversary of it being granted, then two-thirds of the Performance Rights that were eligible to vest under that grant would be assessed against the Vesting Conditions up to the date of the takeover becoming effective.

Details of other remuneration already being received by Mr Pemberton is set out in the Directors' and Executives Officers' Remuneration report in the 2017 Annual Report.

- At present, Mr Pemberton is the only Director entitled to participate in the Plan.
- Shares acquired on vesting of Performance Rights may be delivered to participants through the issue of share or on-market acquisitions, at the discretion of the Board.
- Performance Rights will not carry any voting rights and may not participate in any entitlements issues (such as pro rata rights issues or a share purchase plan).
- Performance rights will not be eligible for any dividends.

- All shares issued on vesting of performance rights will be quoted on the ASX. Performance Rights will not be quoted on the ASX.
- Variations to the terms of the Performance Rights following their issue is subject to the Listing Rules.
- No security interests (such as charges or mortgages) can be held against Performance Rights.

Information for the purposes of Listing Rule 10.15 regarding Resolution 4

The following information is disclosed in relation to Resolution 4. for the purpose of Listing Rule 10.15:

- *Mr Pemberton is the Company's CEO & Managing Director;*
- *The maximum number of Performance Rights that can be granted to Mr Pemberton (or his nominee) if Shareholders approve Resolution 4 is 6,412,500 and each Performance Right entities Mr Pemberton on vesting to receive one FPO Share (subject to any permitted adjustment under the rules of the NRW Holdings Limited Performance Rights Plan);*
- *The Performance Rights are being granted to Mr Pemberton as part of his remuneration and therefore at nil cost and no price is payable for any Shares allocated on the Performance Rights vesting;*
- *Since the NRW Holdings Limited Performance Rights Plan was approved in 2015, the only person referred to in ASX Listing Rule 10.14 who has received Performance Rights is Mr Pemberton who received 2,833,000 Rights at the which vest on 30 November 2017 and 975,620 Rights which do not vest until November 2018 and which were approved at last year's Annual General Meeting;*
- *A voting exclusion for Resolution 4 is set out in the Notice of Meeting;*
- *There is no loan proposed in relation to the grant of Performance Rights to Mr Pemberton;*
- *If shareholders approve Resolution 4, the Performance Rights will be granted to Mr Pemberton as soon as practicable after the Annual General Meeting and in any event within 12 months of the Annual General Meeting. As disclosed above, the Performance Rights will vest in three separate tranches in years one, two and three following issue.*

With the exception of Mr Julian Pemberton, the Board unanimously recommends that Shareholders vote in favour of this resolution. Mr Pemberton does not make any recommendation to Shareholders in relation to this resolution, as he is eligible to participate in the Plan.

Item 6. One off Issue of Performance Rights to Mr Julian Pemberton. (Resolution 5.)

In recognition of the successful acquisition of Golding and the restructuring of the business achieved over the last 12 months the Board has proposed an additional one off award of 1,250,000 Performance Rights.

The Golding transaction has contributed to an increase of $190 million in shareholder value measured from the pre announcement date in mid-August to the company's current market capitalisation at the end of September. The Board considers that Mr Pemberton has been instrumental in identifying and implementing areas of the business restructure and identifying, negotiating and completing the Golding and Hughes Drilling transaction. The proposed one-off issue of Performance Rights also forms part of the Company's overall retention strategy, an important tool to ensure the Company retains the value created through the completion of the transaction.

The Performance Rights will be awarded in two separate equal tranches of 625,000 Rights and will vest based on delivery of key integration objectives and the Golding business meeting agreed financial performance targets, as assessed by the NRW Board. Assuming those objectives are met, Tranche 1 will vest in August 2018 and Tranche 2 will vest in August 2019.

As the Performance Rights are to be issued under the "NRW Holdings Limited Performance Rights Plan" (**Plan**) approved by Shareholders in 2015, the Performance Rights will remain subject to the terms of that Plan (a number of the more material components of which are summarised in the discussion regarding Resolution 4 – for example, the treatment of Performance Rights on a change of control, the cessation of employment by Mr Pemberton for a variety of reasons (including death or permanent disability). For further details regarding the terms of the Plan refer to the 2015 Notice of Annual General Meeting.

Information for the purposes of Listing Rule 10.15 regarding Resolution 5

The following information is disclosed in relation to Resolution 5 for the purpose of Listing Rule 10.15:

- *Mr Pemberton is the Company's CEO & Managing Director and is the only Director participating in the Plan.*
- *The maximum number of Performance Rights that can be granted to Mr Pemberton (or his nominee) if Shareholders approve Resolution 5 is 1,250,000 and each Performance Right entities Mr Pemberton on vesting to receive one fully paid ordinary Share (subject to any permitted adjustment under the rules of the NRW Holdings Limited Performance Rights Plan);*
- *The Performance Rights are being granted to Mr Pemberton as part of his remuneration and therefore at nil cost and no price is payable for any Shares allocated on the Performance Rights vesting;*
- *Since the NRW Holdings Limited Performance Rights Plan was approved in 2015, the only person referred to in ASX Listing Rule 10.14 who has received Performance Rights is Mr Pemberton who received 2,833,000 Rights which vest on 30 November 2017 and 975,620 Rights which were approved at last year's Annual General Meeting and vest in November 2018.*
  As Shareholders will be aware, Resolution 4 also seeking approval for an issue of Performance Rights under the Plan;
- *A voting exclusion for Resolution 5 is set out in the Notice of Meeting;*
- *There is no loan proposed in relation to the grant of Performance Rights to Mr Pemberton;*
- *If shareholders approve Resolution 5, the Performance Rights will be granted to Mr Pemberton as soon as practicable after the Annual General Meeting and in any event within 12 months of the Annual General Meeting. As disclosed above, the Performance Rights will vest in two separate tranches, as detailed above.*

With the exception of Mr Julian Pemberton, the Board unanimously recommends that Shareholders vote in favour of this resolution. Mr Pemberton does not make any recommendation to Shareholders in relation to this resolution, as he is eligible to participate in the Plan.

Item 7. Ratification of Share Issue. (Resolution 6.)

ASX Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides, subject to certain exceptions, without shareholder approval, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue.

ASX Listing Rule 7.4 provides that an issue of securities made without the approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach ASX Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and Shareholders subsequently approve it.

The Shares issued the subject of this Resolution were issued within the Company's 15% capacity under ASX Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue and refresh the 15% capacity.

ASX Listing Rule 7.5 provides that for Shareholders to approve an issue subsequently, the notice of meeting must include particular information. For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolution 1:

(a) The number of securities issued was 36,800,000 Shares.

(b) The Shares were issued at an issue price of 0.68 cents each.

(c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.

(d) The Shares were issued to investors entitled to accept offers of securities under section 708 of the Corporations Act being institutional and sophisticated investors. None of the subscribers are related parties of the Company.

(e) The Company utilised the proceeds to partly fund the acquisition of Golding.

Annexure A – Disclosure Statement

This Disclosure Statement has been prepared in connection with a proposed resolution of the Company to approve the giving of financial assistance by each company listed in schedule 1 (each a "**Subsidiary**") within the meaning of section 260A of the *Corporations Act 2001* (Cth) ("**Corporations Act**") ("**Financial Assistance Resolution**").
This Disclosure Statement and the other attachments (if any) to the Notice of Annual General Meeting ("**Notice**") which it accompanies are important documents. Please read them carefully.

1 Background to the requirement for the Financial Assistance Resolution

1.1 Restrictions on companies giving financial assistance

Pursuant to section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

(a) giving the assistance does not materially prejudice:

(i) the interests of the company or its shareholders; or

(ii) the company's ability to pay its creditors; or

(b) the assistance is approved by shareholders under section 260B of the Corporations Act; or

(c) the assistance is exempted under section 260C of the Corporations Act.

The requirements for shareholder approval under section 260B of the Corporations Act are described in section 1.2 below.

1.2 Shareholder approval of financial assistance

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares (or units of shares) in itself or its holding company, the financial assistance must be approved by:

(a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or

(b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company giving the financial assistance will be a subsidiary of a listed domestic corporation immediately after the acquisition, the financial assistance must also be approved by a special resolution passed at a general meeting of that corporation under section 260B(2) of the Corporations Act. For this reason, the Company is required to approve of the financial assistance by special resolution.

1.3 Shareholders approval

The purpose of this Disclosure Statement is to explain in further detail the proposed Financial Assistance Resolution set out in the Notice which must be passed under section 260B(2) of the Corporations Act to enable each Subsidiary to provide the financial assistance in connection with the Acquisition (as further described in section 2 below).

2 The Acquisition

2.1 Acquisition of Target

NRW Mining Pty Ltd (ABN 86 117 524 277) ("**Bidco**") (a subsidiary of the Company) acquired the entire issued share capital of Golding Group Pty Ltd (ABN 97 129 247 025) ("**Target**") ("**Acquisition**") pursuant to the Share Sale Agreement dated 11 August 2017 between the persons listed in Schedule 1 to that agreement, Bidco, the Target and the Company. The Acquisition was funded through the assistance of a facility agreement dated 11 August 2017 between, among others, Bidco (as Borrower) and Commonwealth Bank of Australia trading as Bankwest (ABN 48 123 123 124) ("**Lender**") ("**Facility Agreement**").

Immediately following the Acquisition, the Company became the listed Australian holding company of the Target and its subsidiaries (together with the Target, each a "**Subsidiary**" listed in schedule 1).

2.2 The Financing

In connection with the Acquisition and other associated transactions, it is proposed that each Subsidiary will enter into one or more finance documents as described in schedule 2 ("**Documents"**), including without limitation:

(a) an accession deed with respect to the Facility Agreement, under which the Subsidiaries will provide guarantees and indemnities;

(b) an accession deed with respect to the security trust deed dated 15 December 2016 between, among others, the Company and AMAL Security Services Pty Limited (ABN 48 609 790 758) ("**Security Trustee**");

(c) a general security agreement granted by the Subsidiaries in favour of the Security Trustee ("**Security**");

(d) an accession deed with respect to the facility agreement (multi-option facility) dated 16 December 2016 between, among others, Bidco, the Company and the Lender, as amended from time to time ("**Multi-Option Facility Agreement**") under which the Subsidiaries will become borrowers and will provide guarantees and indemnities;

(e) an accession deed with respect to the deed of indemnity dated 24 July 2017 between, among others, the Company, Bidco and Liberty Mutual Insurance Company trading as Liberty International Underwriters and others, under which the Subsidiaries will become indemnifiers ("**Liberty Deed of Indemnity**"); and

(f) an accession deed with respect to the deed of indemnity dated 25 February 2015 between, among others, the Company, Bidco and CGU Insurance Limited and others, under which the Subsidiaries will become indemnifiers ("**CGU Deed of Indemnity**" and together with the Liberty Deed of Indemnity, the "**Bonding Deeds of Indemnity**").

The facilities provided under the Facility Agreement, the Multi-Option Facility Agreement and the Bonding Deeds of Indemnity may be drawn, among other purposes, to fund the Acquisition and any costs in connection with the Acquisition, and/or to refinance or replace the facilities made available to the Target under its existing financing arrangements ("**Existing Facility**") ("**Financing**").
The Acquisition and the Financing together is referred to as the "**Transaction**".

3 Effect of the proposed financial assistance

The provision of guarantees and indemnities under the Facility Agreement, the Multi-Option Facility Agreement and the Bonding Deeds of Indemnity, the grant of security and the execution of one or more of the Documents, may involve the provision of financial assistance by each Subsidiary in connection with the Acquisition including without limitation:

(a) (*joint and several liability*): each Subsidiary will assume a joint and several liability with the Borrower and other guarantors;

(b) (*guarantee and indemnities*): a lender or a surety (as the case may be) may be entitled to claim by way of guarantee and indemnities provided by each Subsidiary, in whole or in part, any amounts owed under the Facility Agreement, the Multi-Option Facility Agreement and the Bonding Deeds of Indemnity or other finance documents;

(c) (*enforcement of security*): the Security Trustee may be entitled to enforce the security granted by each Subsidiary and apply the proceeds of enforcement towards repayment of the amounts owed under the Facility Agreement, the Multi-Option Facility Agreement or other finance documents;

(d) (*representation and warranties and undertakings*): each Subsidiary will provide certain representations, warranties and undertakings, and have certain restrictions imposed on the ability to:

(i) grant further security over it assets or dispose of assets;

(ii) make distributions to its shareholders; and

(iii) borrow money in the future or to incur further financial indebtedness;

(e) (*event of default):* each Subsidiary will be subject to certain events of default under the Facility Agreement, the Multi-Option Facility Agreement and the Bonding Deeds of Indemnity or other finance documents;

(f) (*other support*): each Subsidiary may be required to make available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable Bidco (as Borrower) and other guarantors to comply with their payment and other obligations under the Facility Agreement, the Multi-Option Facility Agreement and the Bonding Deeds of Indemnity or other finance documents.

4 Reasons for giving financial assistance

The main reasons for the giving of the financial assistance described above in connection with the Acquisition are:

(a) it is a condition of the Financing that each Subsidiary accede and provide the Security. If it does not in the time specified in the Facility Agreement, the Multi-Option Facility Agreement or other finance documents, this will be an event of default and its holding company will be forced to refinance on worse terms which may include not being able to provide each Subsidiary with finance; and

(b) it is a reasonable and necessary part of obtaining finance on the most favourable terms. Obtaining a facility of this nature without that requirement would have been difficult, and would have resulted in funding being obtained on more restrictive and expensive terms.

5 Financial Assistance Resolution

To summarise, it is proposed that the giving by each Subsidiary of the financial assistance in connection with the Acquisition be approved by the shareholders of the Company passing the Financial Assistance Resolution pursuant to section 260B(2) of the Corporations Act. The Financial Assistance Resolution is set out in the Notice accompanying this Disclosure Statement.

Shareholders of the Company may vote either for or against the Financial Assistance Resolution. The Financial Assistance Resolution will be passed if a special resolution is passed.

6 Prior notice to Australian Securities & Investments Commission

As required by section 260B(5) of the Corporations Act, copies of the Notice and this Disclosure Statement as sent to the shareholders were lodged with the Australian Securities & Investments Commission before their dispatch to the shareholders.

7 Disclosure

The directors of the Company consider that the Notice and this Disclosure Statement contains all information known to the Company that would be material to the shareholders in deciding how to vote on the proposed resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

8 Solvency

As at the date of the Notice and this Disclosure Statement, the directors are of the opinion that there are reasonable grounds to expect that if the Company gives the financial assistance, the Company will continue to be able to pay all its debts as they become due, and remain solvent.

Directors' recommendation

Based on information available at this time, the directors of the Company believe that the Transaction is not materially prejudicial to the interests of the Company or its shareholders, or the ability of the Company to pay its creditors.

However, the directors consider it prudent and consistent with good business practice to seek shareholders' approval. The Lender has also requested the Company to do so.

The directors of the Company have unanimously approved the Disclosure Statement and recommend shareholders' approval as set out in the Notice.

Schedule 1 - Subsidiaries

1. Golding Group Pty Ltd ABN 97 129 247 025.
2. Golding Finance Pty Limited ABN 54 128 839 056.
3. Golding Employee Equity Pty Limited ACN 134 623 680.
4. Golding Contractors Pty Ltd ABN 88 009 734 794.

NRW Holdings

ABN 95 118 300 217

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
NRW Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

X99999999999

SAMPLE

PROXY FORM

I/We being a member(s) of NRW Holdings Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Monday, 20 November 2017 at Duxton Hotel, 1 St Georges Terrace, Perth** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*
1 Re-election of Mr Michael Arnett	☐	☐	☐
2 2017 Remuneration Report	☐	☐	☐
3 Financial Assistance	☐	☐	☐
4 Executive Incentive Scheme (Mr Julian Pemberton – CEO & Managing Director)	☐	☐	☐
5 One off Issue of Performance Rights to Mr Julian Pemberton in recognition of the Golding acquisition and Business Restructure	☐	☐	☐
6 Ratification of Share Issue	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Saturday, 18 November 2017,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE
www.linkmarketservices.com.au
Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

BY MAIL
NRW Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX
+61 2 9287 0309

BY HAND
delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.

ONLINE
www.linkmarketservices.com.au
Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

SAMPLE

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.