**NRW Holdings Limited**
ABN 95 118 300 217

## Notice of Annual General Meeting

Notice is given that the 2019 Annual General Meeting of NRW Holdings Limited will be held at the Duxton Hotel, 1 St Georges Terrace, Perth, on Tuesday 26 November 2019 at 10.00am (Perth time).

The Explanatory Memorandum, which accompanies and forms part of this Notice of Annual General Meeting, describes in 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 2019, together with the Directors' report and the auditors' report as set out in the 2019 Annual Report.

**2. Re-election of Mr Peter Johnston**

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

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

**3. 2019 Remuneration Report**

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

*"That the 2019 Remuneration Report be adopted."*

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 2019 Remuneration Report at the 2019 Annual General Meeting when reviewing the Company's remuneration policies.

In accordance with the Corporations Act 2001 (Cth), if at least 25% of the votes cast on this resolution are cast against it, Resolution 3 will be put to the 2019 Annual General Meeting.

**4. Spill Resolution (conditional item)**

To consider and, if thought fit, pass the following as an ordinary resolution: (**Resolution 3**)

*"That subject to and conditional on at least 25% of the eligible votes cast on Resolution 2 being cast against the adoption of the Company's 2019 Remuneration Report:*

*(1) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this resolution;*

*(2) all of the Company's Directors who were directors of the Company when the resolution to make the Directors' Report for the financial year ended 30 June 2019 was passed, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting; and*

*(3) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill meeting."*

In accordance with the Corporations Act 2001 (Cth), Resolution 3 will only be put to the 2019 Annual General Meeting if at least 25% of the votes cast on Resolution 2 are cast against it.

**5. Approval of Performance Rights Plan**

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

*"That for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to operate the "NRW Holdings Limited Performance Rights Plan" (**Plan**) and for the issue of securities from time to time under the Plan as an exception to ASX Listing Rule 7.1, on the terms and conditions set out in the Explanatory Memorandum."*

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

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

*"That for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is hereby given for the grant to the Company's Managing Director, Mr Julian Pemberton (or his nominee), of 1,164,490 Performance Rights under the terms of the "NRW Holdings Limited Performance Rights Plan" on the terms and conditions set out in the Explanatory Memorandum."*

**7. Amendments to Constitution**

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

*"That the Constitution of the Company be amended as outlined in the Explanatory Memorandum, with effect from the close of the meeting."*

**Voting restrictions**

***Resolutions 2 and 3***

*Voting prohibition statement*

A vote must not be cast on Resolution 2 or Resolution 3:

a. by or on behalf of a member of the Company's or the group's key management personnel (whose remuneration is disclosed in the Remuneration Report) or by a closely related party of such a member, regardless of the capacity in which the votes are cast; or

b. by a person who is a member of the Company's or the group's key management personnel at the date of the 2019 Annual General Meeting, or by a closely related party of such a member, as a proxy.

However, a person (**voter**) may cast a vote as a proxy for a person entitled to vote on the Resolution:

c. in accordance with a direction that specifies how the proxy is to vote on the Resolution; or

d. if the voter is the chair of the meeting and the appointment of the chair as proxy does not specify how the proxy is to vote on the Resolution and expressly authorises the chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's or the group's key management personnel.

***Resolution 4***

*Voting prohibition statement*

A vote must not be cast on Resolution 4 by a person appointed as proxy if:

a. the proxy is either:

   (i) a member of the Company's or the group's key management; or

   (ii) a closely related party of such a member; and

b. the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

c. the proxy is the chair of the meeting; and

d. the appointment expressly authorises the chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's or the group's key management personnel.

*Voting exclusion statement*

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

a. a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company); or

b. an associate of such a Director.

However, the Company need not disregard a vote if:

c. it is cast by a person who is a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

d. it is cast by the chair of 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 5***

*Voting prohibition statements*

A vote on Resolution 5 must not be cast (in any capacity) by or on behalf of Mr Julian Pemberton or any of his associates. However, Mr Pemberton or his associates may cast a vote on Resolution 5 as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of Mr Pemberton or his associates.

Further, a vote must not be cast on Resolution 5 by a person appointed as proxy if:

a. the proxy is either:

(i) a member of the Company's or the group's key management; or

(ii) a closely related party of such a member; and

b. the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

c. the proxy is the chair of the meeting; and

d. the appointment expressly authorises the chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's or the group's key management personnel.

*Voting exclusion statement*

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

a. a Director who is eligible to participate in the NRW Holdings Limited Performance Rights Plan; or

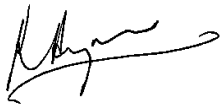
b. an associate of such a Director.

However, the Company need not disregard a vote if:

c. it is cast by a person who is a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

d. it is cast by the chair of 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
21 October 2019

## 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 2019 Annual General Meeting will be based on registered holdings set out in the Company's share register as at 10.00am (Perth time) on Sunday 24 November 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the 2019 Annual General Meeting.

### How to vote

You may vote by attending the 2019 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 2019 Annual General Meeting. If you wish to attend the 2019 Annual General Meeting, please bring the enclosed proxy form to the 2019 Annual General Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the 2019 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 2019 Annual General Meeting in accordance with section 250D of the Corporations Act 2001 (Cth) (**Corporations Act**). The appropriate "Appointment of Corporate Representation" should be produced prior to admission. A form of the appointment 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 this Notice of Annual General Meeting. If an additional proxy form is required, the Company's share registry will supply it on request. You should complete the proxy form if you do not wish to attend the 2019 Annual General Meeting and wish to appoint a proxy to attend and vote on your behalf. If you intend to attend the 2019 Annual General Meeting, you do not need to complete the proxy form. However, please bring the proxy form with you to the 2019 Annual General 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 Sunday 24 November 2019. Your proxy form 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, hand delivered to 1A Homebush Bay Drive, Rhodes NSW 2138, 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 2019 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 Shareholder's 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 2019 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 (or the Chairman becomes your proxy by default), but you 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, 2, 4, 5 and 6, and vote against resolution 3, subject to any voting prohibitions that may apply.**

*Attorneys*

If an attorney for a Shareholder is to vote at the 2019 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 2019 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 2019 Remuneration Report. If you would like to submit a question on these matters prior to the 2019 Annual General Meeting for it to be addressed at the 2019 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 30 June 2019, will attend the 2019 Annual General Meeting. The Chairman will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the 2019 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 2019 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 2019. Written questions of the auditor must be received no later than 5 Business Days before the 2019 Annual General Meeting. Written questions 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, 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 2019 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 2019 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 2001 (Cth) (**Corporations Act**) requires the Directors to lay before the 2019 Annual General Meeting the financial statements, the Directors' report and the auditor's report for the last financial year that ended before the 2019 Annual General Meeting. These reports are contained in the 2019 Annual Financial Statements which have been released to the ASX and are 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 2019 Annual General Meeting.

**Item 2 Re-election of Mr Peter Johnston (Resolution 1)**

Rule 5.1 of the Constitution requires that 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. 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 Johnson was appointed as a Director on 1 July 2016. Mr Johnston has served with a number of national and international companies. Most recently he was appointed Global Head of Nickel Assets for Glencore in 2013 and completed that role in December 2015. Prior to that role he was Managing Director and Chief Executive Officer of Minara Resources Pty Ltd from 2001 to 2013. Mr Johnston graduated from the University of Western Australia with a Bachelor of Arts majoring in psychology and industrial relations. Mr Johnston has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Director, Tronox Ltd (NYSE) (appointed 1 August 2012)
- Chairman, Jervois Mining Ltd (appointed 19 June 2018)

With the exception of Mr Peter Johnston, the Board unanimously recommends that Shareholders vote in favour of Item 2. Mr Johnston does not make any recommendation to Shareholders in relation to this resolution as he is subject to the re-election.

**Item 3 Remuneration Report (Resolution 2)**

Section 250R(2) of the Corporations Act requires that a resolution that the 2019 Remuneration Report be adopted be put to the vote at the 2019 Annual General Meeting.

The 2019 Remuneration Report is set out on pages 12 - 22 of the 2019 Annual Financial Statements. The 2019 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 2018-2019 financial year.

A letter to Shareholders from the Chair of the Nomination & Remuneration Committee regarding the Company's 2019 Remuneration Report was included in the Company's 2019 Annual Financial Statements, and is set out below.

---

**LETTER FROM CHAIR OF THE NOMINATION & REMUNERATION COMMITTEE**

Dear Shareholders and readers of this report,

We are pleased to present NRW's Remuneration report for the year ended 30 June 2019.

NRW's remuneration framework is designed to align management remuneration with shareholder returns, the principles of which are outlined in the "remuneration overview" section of this report.

I am pleased that we have once again been able to report significant growth in NRW as measured by Revenue, Earnings and Market Capitalisation. I have used FY16 as the starting point to demonstrate the extent of the company's growth a date which also coincides with the introduction of the revised incentive plans;

- Revenue has increased from $288 million in FY16 to $1,078 million in FY19;
- Earnings (comparative EBITDA) have increased from $47.4 million in FY16 to $143.9 million in FY19;
- Market Capitalisation has increased by $884 million over three years from $59 million at June 16 to $943 million at June 19; and
- Total shareholder return over the same three years was circa $840 million.

This transformation of the company has been the result of significant commitment and hard work by NRW employees across the business and in particular, the leadership of Jules Pemberton, our CEO and his executive team.

The Board Remuneration Committee in establishing the reward framework for the leadership team and senior professionals across the organisation were mindful of the nature of the work which NRW project teams undertake, the challenges of remote environments, the breadth and diversity of the resources in which our teams deliver infrastructure, mine operations, while providing ongoing maintenance and support to our clients across widely dispersed regions of the country.

Details of the remuneration framework applying to the leadership team are transparently and comprehensively disclosed in this report. Some shareholders expressed concern that the equity based awards adopted proportional vesting over less than 3 years. This decision of the Board was deliberate. When first introduced in 2016 the company needed to deliver on many initiatives quickly. Equity awards were designed to drive those initiatives and meet the challenges faced by our business at that time.

With the accomplishments over the last three financial years, your committee has further reviewed the structure of reward for the leadership team for the period ahead. Details are set out below.

Our objective as a committee is to implement remuneration policies that reward value creation and deliver sustainable value for NRW shareholders. We strongly believe that if investors and their advisers carefully review our accomplishments and forward plans they will endorse the effectiveness of the plans implemented thus far and those which we are proposing as set out below.

We strongly believe that the reward arrangements which we put in place and have delivered a 15 times multiple improvement in the company's market value since 2016 have been successful.

With respect to the key remuneration issues and outcomes in the 2019 financial year;

- We have not made any underlying changes to the fixed remuneration of the CEO, CFO and EGM's of the Golding and Civil and Mining businesses.
- There have been no changes to the annual incentive policy other than to develop challenging and focused objectives for the management team to deliver through the past 12 months (FY19).
- The short term incentive percent of TFR for the CEO and CFO was increased in FY19 by 25% and 20% respectively. This increase, which was for the current financial year, was structured to provide an incentive to meet incremental stretch objectives set after establishing the core targets based on the budget approval. Underlying business performance supported the establishment of these incremental incentives, however the Gascoyne impairment ultimately meant that this element of remuneration was not achieved.

- I am pleased to report that the STI targets set for FY19 were achieved in part and appropriate awards are included, with explanation in this report. In agreeing to these awards the committee has considered other factors which can be applied as modifiers which include safety and strategic development. In making our final assessment we have considered the fatality in July this year further commentary on which is included in the People and Safety / Occupational Health and Safety section of the Directors Report.
- There have been no new equity awards, other than to Ian Gibbs who joined NRW on completion of the RCRMT acquisition in February this year. The vesting period of these awards is less than three years which given the near term growth objectives we want the business to deliver and Ian's criticality to that new business's success we consider to be wholly appropriate.
- A number of Performance Rights have vested given that the challenging performance conditions established by the committee were achieved.
- There have been no changes to the remuneration of non-executive directors in the year.

With respect to our thinking going forward;

- Some fixed remuneration increases would appear to be appropriate given the continued growth in the company. The last time changes were made annual revenue was about half that forecast for FY20. Any changes to the remuneration of the CEO will be disclosed when made.
- New equity awards are being considered which will reflect some of the changes "suggested" by the proxy advisors without over complicating the scheme (and therefore diminishing the potential shareholder value creation). The new scheme will include:
    - Awards with performance periods of two and three years;
    - No retest;
    - The quantum of rights will vest as performance improves rather than on a specific pass/fail objective;
    - Additional performance hurdles to Total Shareholder Return; and
    - An award base close to the start of the performance period and which includes a period post release of the prior year results.

The mandate of the committee remains unchanged. We urge shareholders to support us as we continue to develop and implement schemes which we consider to be in their best interest whilst recognising the particular challenges of the markets in which we work and the core objectives which have been set for those people appointed to manage our businesses.

Michael Arnett

Chair Nomination and Remuneration Committee

---

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 2019 Remuneration Report at the 2019 Annual General Meeting when reviewing the Company's remuneration policies.

At the Company's 2018 Annual General Meeting, the Company received a "first strike" where more than 25% of the votes cast were cast against the adoption of the 2018 Remuneration Report. Under the "two strikes" rule, if 25% or more of the votes cast at the 2019 Annual General Meeting are cast against the adoption of the 2019 Remuneration Report, the Company will receive a "second strike" and the Company will be required to put Item 4 to the 2019 Annual General Meeting.

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 Spill Resolution (conditional item) (Resolution 3)**

Item 4 (known as a 'Spill Resolution') will only be put to the 2019 Annual General Meeting if at least 25% of the votes cast on Item 3 are cast against the adoption of the 2019 Remuneration Report. If fewer than 25% of the votes are cast against its adoption, then there will be no "second strike" and this Item 4 will not be put to the 2019 Annual General Meeting.

If Item 4 is put, the Spill Resolution will be considered as an ordinary resolution. This resolution is drafted in accordance with section 250V of the Corporations Act. If the Spill Resolution is put to the 2019 Annual General Meeting and passed, a special meeting of shareholders (known as a 'Spill Meeting') will be held within 90 days of that resolution being passed. In the event a Spill Meeting is required, a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as Directors of the Company at the Spill Meeting.

All of the Company's Non-Executive Directors who were in office when the 2019 Directors' Report was approved, and who are then in office, will cease to hold office at the end of the Spill Meeting, unless they are willing to stand for re-election and are re-elected at the Spill Meeting. For these purposes, the relevant Directors that would be required to stand for re-election are:

- Mr Michael Arnett
- Mr Jeffrey Dowling
- Mr Peter Johnson

If Mr Peter Johnson is re-elected under Item 2, he will still be required to vacate office and stand for re-election at the Spill Meeting if Item 4 is passed.

The Board considers the following factors to be relevant to a Shareholder's decision on how to vote on this Item:

- Loss of Directors' leadership, skills and knowledge – the Company has benefited from the clear focus and leadership the Board has provided to the business during a period of significant growth, including three acquisitions since 2016. There is no assurance that the current Non-Executive Directors would stand for re-election or be re-elected at the Spill Meeting. This creates significant risk that the governance of the Company would be disrupted and creates a real challenge to engage new Directors with the skills and knowledge expected of members of the Board.

- Non-Executive Director support – each of the Non-Executive Directors has previously been elected as a Director and received strong support from Shareholders.

- Disruption to the Company – if the Spill Resolution is passed, this will create instability in leadership and potentially negatively impact the Company's ability to implement its short term strategic objectives. The Board has been integral in overseeing this strategy.

- Response to first strike – the Board has taken action to address concerns expressed by Shareholders and proxy advisors relating to the Company's executive remuneration framework (refer to the explanatory notes for Item 3 above, in particular the letter to Shareholders from the Chair of the Nomination & Remuneration Committee).

If the Company does not receive a "second strike" or the Spill Resolution fails, then the Company has a "clean slate" and will enter the 2020 AGM with no "strikes".

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, if Item 4 is put to the meeting, the Board unanimously recommends that Shareholders vote against Item 4 on the basis that a Spill Meeting would be disruptive, costly and, in the Board's view, it would be inappropriate to remove all of the Non-Executive Directors in the circumstances.

**Item 5** **Approval of Performance Rights Plan (Resolution 4)**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee share scheme are exempt for a period of three years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

At the 2015 Annual General Meeting, Shareholders approved the adoption of the NRW Holdings Limited Performance Rights Plan (**Plan**), under which eligible participants could be granted Performance Rights to acquire Shares in the Company, subject to satisfaction of any conditions imposed in relation to the grant. The Company is now seeking Shareholder approval for the Plan in order to renew the approval obtained pursuant to ASX Listing Rule 7.2 (Exception 9(b)).

If Item 5 is passed, the Company will be able to issue securities under the Plan over a period of three years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

In the case of a Director, no securities will be issued pursuant to the Plan without separate prior shareholder approval under ASX Listing Rule 10.14.

A total of 18,166,234 Performance Rights have been allocated under the Plan since the last approval at the 2015 Annual General Meeting.

In accordance with Exception 9(b) of L.R 7.2, the terms and conditions of the NRW Holdings Ltd Performance Rights Plan are listed at Appendix 1.

With the exception of Mr Julian Pemberton, the Board unanimously recommends that Shareholders vote in favour of Item 5. Mr Pemberton does not make any recommendation to Shareholders in relation to this resolution, as he has an interest in the outcome of the resolution by virtue of him being entitled to participate in the Plan.

**Item 6** **Executive Incentive Scheme (Mr Julian Pemberton – CEO & Managing Director) (Resolution 5)**

***Background***

Item 6 seeks shareholder approval, in accordance with ASX Listing Rule 10.14, to issue performance rights to Mr Julian Pemberton under the NRW Holdings Limited Performance Rights Plan (**Plan**), being the employee incentive plan that is the subject of Item 5.

Mr Pemberton is entitled under his employment agreement to participate in the Company's long-term incentive scheme in his capacity as CEO and Managing Director. The long-term incentive scheme is structured to grant performance rights on an annual basis equal to 120% of Mr Pemberton's annual fixed remuneration. The last award of rights approved by Shareholders was at the 2017 AGM for the period to 30 June 2020.

The proposed grant is for two years, from 1 July 2020 to 30 June 2022, which will be structured in two tranches with the following key terms.

- Tranche 1
  - Quantum of performance rights: 582,245
  - Performance period: 3 years (FY20, FY21, FY22)
  - Vesting date: 30 November 2022
  - Vesting of performance rights will be subject to meeting certain performance hurdles, which are set out below
  - Performance rights have been valued based on the 30 day VWAP to 30 June 2019 ($2.47)

- Tranche 2
  - > Quantum of performance rights: 582,245
  - > Performance period: 4 years (FY20, FY21, FY22, FY23)
  - > Vesting date: 30 November 2023
  - > Vesting of performance rights will be subject to meeting certain performance hurdles, which are set out below
  - > Performance rights have been valued based on the 30 day VWAP to 30 June 2019 ($2.47)

Each performance right will, on vesting, entitle the holder to one fully paid ordinary share in the Company.

***Performance hurdles***

The Board has set a series of performance hurdles for both tranches of performance rights based on aligning shareholder returns with the objectives of Mr Pemberton.

In addition, vesting of performance rights is also subject to Mr Pemberton's continued employment with NRW over the applicable performance period. The performance hurdles are:

- Growth in "Total Shareholder Return" (**TSR**) of:
  - > at least 10% per annum from the 30 June 2019 VWAP ($2.47) to meet the minimum objective; and
  - > more than 12% per annum from the 30 June 2019 VWAP ($2.47) to meet the maximum objective.
- Growth in annual cumulative "Earnings Before Interest Taxes Depreciation and Amortisation" (**EBITDA**) of:
  - > at least 10% per annum from the FY19 result ($144 million) to meet the minimum objective; and
  - > more than 12% per annum from the FY19 result ($144 million) to meet the maximum objective.
- Management of debt through the establishment of a maximum gearing objective not to exceed 30%.

The table below sets out the performance hurdles for each tranche.

| | | **Tranche 1** | **Tranche 2** |
|---|---|---|---|
| **TSR ($)[(1)]** | Min | $3.22 | $3.46 |
| | Max | $3.36 | $3.66 |
| **EBITDA ($M's)[(2)]** | Min | $209 | $230 |
| | Max | $222 | $248 |
| **Gearing (%)** | Below | 30% | 30% |

(1) The TSR objective is expressed as a target share price as a proxy for TSR. The final assessment will include appropriate adjustments which will include dividend payments and any equity raisings to reflect actual TSR.

(2) The board recognises that the EBITDA targets will need to be modified to reflect the implementation of AASB 16 when fully determined.

The quantum of performance rights that will vest as each performance hurdle is met is shown in the table below.

| | | FY22<br>Tranche 1 | FY23<br>Tranche 2 |
|---|---|---|---|
| **TSR ($)** | Min | 97,041 | 97,041 |
| | Max | 97,041 | 97,041 |
| **EBITDA ($M's)** | Min | 97,041 | 97,041 |
| | Max | 97,041 | 97,041 |
| **Gearing (%)** | Min | 194,082 | 194,082 |
| **Total** | | **582,245** | **582,245** |

If performance is above the minimum objective but below the maximum objective, the performance rights will vest pro rata to actual achievement.

The Board notes the following changes included in this proposal which were referred to in the Chair of the Nomination and Remuneration Committee's letter to Shareholders to address concerns with respect to prior year long term incentive awards.

- a minimum vesting period of 3 years with no re-test;
- additional performance hurdles to be considered other than TSR; and
- the quantum of performance rights to vest as performance improves rather than on specific pass/fail objectives.

***Other key provisions of the Plan***

Other key provisions of the Plan remain unchanged from page 17 of the 2019 Annual Financial Statements with reference to ceasing employment and change of control.

Details of remuneration already being received by Mr Pemberton is set out in the 2019 Remuneration Report on pages 12 – 22 of the 2019 Annual Financial Statements. Mr Pemberton holds an interest in 10,833,497 of the Company's ordinary shares. Performance rights which have vested total:

- 2,137,500, which will vest on 30 November 2019; and
- 2,137,500, which will vest on 30 November 2020.

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 shares 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 new shares issued on the 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 Plan and the ASX Listing Rules. No security interests (such as charges or mortgages) can be held against performance rights.

***Information for the purposes of ASX Listing Rule 10.15 regarding Item 6***

The following information is disclosed in relation to Item 6 for the purpose of ASX Listing Rule 10.15:

- The performance rights will be granted to Mr Julian Pemberton (or his nominee), the Company's CEO & Managing Director;
- The maximum number of performance rights that will be granted to Mr Pemberton (or his nominee) if Shareholders approve Resolution 5 is 1,164,490. Each Performance Right entitles the holder, on vesting, to receive one fully paid ordinary share in the Company (subject to any permitted adjustment under the rules of the Plan);

- The performance rights are being granted to Mr Pemberton as part of his remuneration and therefore no amount is payable by Mr Pemberton for the grant of the performance rights. No amount is payable for any Shares allocated on the vesting of any performance rights;

- Since the Plan was last approved by Shareholders for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) in 2015, the only person referred to in ASX Listing Rule 10.14 who has received Performance Rights is Mr Pemberton, who has been granted a total of 11,471,443 performance rights at nil cost;

- A voting exclusion for Resolution 5 is set out in the Notice of Annual General Meeting;

- There is no loan proposed in relation to the grant of Performance Rights to Mr Pemberton; and

- If Shareholders approve Resolution 5, the Performance Rights will be granted to Mr Pemberton as soon as practicable after the 2019 Annual General Meeting and in any event within 12 months of the 2019 Annual General Meeting.

***Corporations Act – sections 200B and 200E***

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on cessation of their employment with the Company or any of its related bodies corporate. Under section 200B of the Corporations Act, a company may only give a person a "benefit" (as defined in the Corporations Act) in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders under section 200E of the Corporation Act, or an exception applies.

Under the terms of the Plan, the Board has discretion to determine that a proportion of a participant's rights will not lapse on cessation of their employment with the Company. The exercise of this discretion by the Board may constitute a "benefit" for the purposes of section 200B of the Corporations Act. Accordingly, Item 6 also seeks approval for the purposes of sections 200B and 200E of the Corporations Act, for any "benefit" that may be provided to Mr Pemberton in connection with an exercise of discretion by the Board under the Plan.

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will, or are likely to, affect the value depending on the circumstances existing at the time the employment ceases. For example, the value of a particular benefit will depend on the Share price at the time of vesting and the number of rights that will vest. The following additional factors may also affect the value of the benefit:

- the performance against the various performance hurdles that apply to the rights;

- the part of the performance period that has elapsed at the time the employment ceases;

- the reasons for the cessation of employment; and

- the number of rights that lapse on cessation of employment.

***Board recommendation***

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 has an interest in the outcome of the resolution.

**Item 7 Amendments to Constitution (Resolution 6)**

***General***

Under section 136(2) of the Corporations Act, a company can modify or repeal its constitution or a provision of its constitution by special resolution of shareholders. Accordingly, the Company seeks Shareholder approval to amend its Constitution as set out below.

A special resolution requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

A copy of the proposed amended constitution is available for review by Shareholders at the registered office of the Company. A copy of the amended constitution can also be sent to Shareholders upon request to the Company Secretary.

***Background***

As set out in ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX is proposing to introduce a two-tier escrow regime where ASX can require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities advising them of those restrictions.

In connection with this, ASX is amending Listing Rule 15.12 (restricted securities), with the amendments proposed to take effect from 1 December 2019. The amended Listing Rule 15.12 will require the constitution of listed entities to contain certain provisions in relation to restricted securities for so long as the entity has any restricted securities on issue. While the Company does not have any restricted securities currently on issue, the Board considers it prudent to seek Shareholder approval at this time to amend the Constitution to reflect the proposed amendments to Listing Rule 15.12.

***Proposed amendments***

Rule 163.1 of the Constitution provides as follows:

"*163.1 Despite any other provision in this constitution:*

*(1) the Company must comply with and enforce a restriction agreement and enforce this constitution to ensure compliance with the requirements of the Listing Rules or ASX for Restricted Securities;*

*(2) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or ASX;*

*(3) the Company must refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the escrow period except as permitted by the Listing Rules or ASX; and*

*(4) during a breach of the Listing Rules relating to Restricted Securities, or a breach of a restriction agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.*"

By Item 7, the Company seeks Shareholder approval to delete rule 163.1 of the Constitution in its entirety and replace it with the following:

"*163.1 Despite any other provision in this constitution:*

*(1) the Company must comply with and enforce a restriction agreement and enforce this constitution to ensure compliance with the requirements of the Listing Rules or ASX for Restricted Securities;*

*(2) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*

*(3) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a*

*holding lock applied for the duration of the escrow period applicable to those securities;*

(4) *the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*

(5) *a holder of the Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*

(6) *if a holder of Restricted Securities breaches a restriction deed or a provision of this constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues*."

***Board recommendation***

The Board unanimously recommends that Shareholders vote in favour of this resolution.

**Appendix 1: TERMS & CONDITIONS OF THE NRW HOLDINGS LIMITED PERFORMANCE RIGHTS PLAN**

## 1. INTRODUCTION

### 1.1 Name of the Plan
This Plan is called the "NRW Holdings Limited Performance Rights Plan."

### 1.2 Object of the Plan
The object of the Plan is to:

(a) provide Participants with an incentive plan which recognises their ongoing contribution to the achievement by NRW of long term strategic goals;
(b) establish an employee share scheme as stated in clause 1.3 which is eligible for relief from the disclosure requirements in Part 7.9 of the Corporations Act under an ASIC instrument ("ASIC Instrument");
(c) align the interests of Participants with Security Holders through the sharing of a personal interest in the future growth and development of NRW as represented in the price of NRW Securities; and
(d) provide a means of attracting and retaining skilled and experienced employees.

### 1.3 Tax
This Plan is a Plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

## 2. DEFINITIONS AND INTERPRETATIONS

### 2.1 Definitions
In these Terms & Conditions unless the context otherwise requires:

"**Administrator**" means any person engaged by the Board to carry out the day-to-day administration of the Plan as contemplated by clause 8.2(f).

"**Applicable Law**" means any one or more or all, as the context requires, of:

(a) the Corporations Act;
(b) the Listing Rules;
(c) the Constitution;
(d) the Tax Act;
(e) any practice note, policy statement, class order, declaration, guideline, policy, procedure, ruling or other guidance note made to clarify or expand (a), (b), (c) or (d) above; and
(f) any other legal requirement that applies or may apply to the Plan.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX Settlement Operating Rules**" means the operating rules of ASX Settlement Pty Limited ABN 49 008 504 532.

"**ASX**" means ASX Limited ABN 98 008 624 691 or the market conducted by it. NRW Holdings Limited Performance Rights Plan Terms & Conditions

"**Board**" means the board of directors of NRW or a person to whom any authority has been delegated under clause 8.2(d).

"**Business Day**" means a day as defined in Chapter 19 of the ASX Listing Rules.

"**Constitution**" means the Constitution of NRW.

"**Control**" of an entity means having the right:

(a) to vote 50% (or more) of the votes that can be cast on the election or removal of the entity's directors;
(b) to appoint or remove directors who possess 50% (or more) of the votes exercisable by all directors of the entity; or
(c) to 50% (or more) of the profits or distributions of the entity or of its net liquidation proceeds.

"**Control Event**" means any of the following:

(a) an offer is made by a person for all of the ordinary shares of NRW (or any part as is not at the time owned by the offeror or any associate of the offeror) and after announcement of the offer the offeror (being a person who did not Control NRW prior to the offer) acquires Control of NRW and the offer becomes unconditional; or
(b) any other event which the Board reasonably considers has the characteristics of and should be regarded as a Control Event in respect of NRW.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Date of Registration**" means with respect to a Right, the date that the Right is granted to the Participant, as determined by NRW and in respect to Securities means the date of allotment or recording of the Participant in the register of members under the ASX Settlement Operating Rules.

"**Eligible Employee**" means any employee or executive director of the Group whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of Rights in the Plan from time-to-time and who is not prohibited from participating in the Plan by virtue of these Terms & Conditions.

"**Grant Date**" means the date determined by the Board and specified in the Invitation being either:
(a) the date on which the Rights will be allotted; and/or
(b) the basis on which the date on which the Rights will be acquired is to be determined.

"**Group**" means NRW and its Related Bodies Corporate.
"**Invitation**" means an invitation under clause 3.1.
"**Legal Personal Representative**" means:
(a) the executor of the will or an administrator of the estate of a deceased person;
(b) the trustee of the estate of a person under a legal disability; or
(c) any beneficiary of the estate of the deceased person as nominated by the executor, administrator or trustee.

"**Listing Rules**" means the official listing rules of the ASX as they apply to NRW.
"**Market Value**" has its ordinary meaning as determined in the unfettered discretion of the Board.
"**NRW**" means NRW Holdings Limited ACN 118 300 217.
"**Offer**" means an offer by NRW to an Eligible Employee to participate in the Plan as set out in an Invitation.
"**Participant**" means a person who is the holder of a Right under this Plan and includes, as applicable, the Legal Personal Representative of the person.
"**Performance Conditions**" means the performance measures, hurdles and tenure conditions (if any) contained within the Rules that must be satisfied before a Right may vest and convert to Securities, and may include but are not limited to financial measures relevant to the whole or part of the Group, targets or performance indicators personal to the Participant and safety measures.
"**Performance Period**" means the period contained in the Rules for satisfaction of the Performance Conditions.
"**Permanent Disability**" means the inability, by reason of physical condition, mental illness or accident, of the Participant to perform substantially all of the duties of the position in which the Participant has been employed or appointed (as determined by the Board).
"**Plan**" means the NRW Holdings Limited Performance Rights Plan established and operated in accordance with these Terms & Conditions (and for the avoidance of doubt, also in accordance with any additional Terms & Conditions made pursuant to clause 8.2(a) and any Rules made pursuant to clause 12).
"**Qualifying Event**" means, in relation to a Participant, the cessation of employment of the Participant with the Group due to his or her death or Permanent Disability or otherwise in circumstances that the Board determines is a "Qualifying Event", or subject to the Rules, retrenchment by reason of redundancy.
"**Reconstruction**" means any consolidation, subdivision, reduction, capital return, share split, buy back or cancellation or other change in the existing capital of NRW.
"**Related Bodies Corporate**" means a wholly owned subsidiary or entity controlled by NRW.
"**Right**" means a right granted under this Plan to acquire one Security on conversion of the Right where such conversion is permitted by and in accordance with this Plan.
"**Rules**" means the rules made by the Board pursuant to clause 12 and for the avoidance of all doubt includes any terms or conditions to the Rights as contained within any Invitation.
"**Securities**" means fully paid ordinary shares in NRW.
"**Security Holder**" means a holder of Securities in NRW.
"**Tax Act**" means the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) and any amendments thereto or any additional legislation as it applies to employee share schemes as defined under the Tax Act.
"**Tax**" includes any tax (whether direct or indirect), levy, impost, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing.
"**Terms & Conditions**" means these terms and conditions governing the Plan as amended from time to time, and for the avoidance of doubt, includes any additional Terms and Conditions made pursuant to clause 8.2(a).
"**Third Party Right**" means:
(a) any third party interest, including a mortgage, charge, assignment by way of security, lien, pledge, hypothecation, title retention arrangement, preferential right or a trust or equity arrangement, a right of any person to purchase or use an asset (including under an option or agreement to purchase);
(b) any arrangement having a commercial effect equivalent to anything in (a); and
(c) any agreement to create an interest described in (a) or an arrangement described in (b).

"**Threshold Hurdle**" means any hurdle test or tests included in any Invitation that, when applied, determine in respect of any grant of Rights the number of such Rights that will become eligible to vest (if any) and the number of such Rights that will lapse (if any) after application of those tests.
"**Vesting Date**" means the date on which a Right may vest as specified under the Rules or as amended by the Board under these Terms & Conditions, and if that date falls on a non Business Day, the Vesting Date shall be the next Business Day.

**2.2 Interpretation**
In these Terms & Conditions unless the contrary intention appears:
(a) the term "acquired" in relation to Securities, and grammatical variations of that terms, where used in these Terms & Conditions, refer to Securities being transferred or allotted, as the case may be;
(b) the singular includes the plural and vice versa;
(c) reference to a person includes the legal representative of that person and also bodies corporate, unincorporated associations and other legal entities recognised by law;

(d) a reference to any legislation, policy or class order or to a provision of any legislation, policy or class order includes any modification or re-enactment of it, any provision substituted for it and all regulations and statutory instruments issued under it;
(e) the expressions "including", "such as" and similar words or expressions are not words or expressions of limitation;
(f) where any word or phrase is defined in these Terms & Conditions, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
(g) where the Terms & Conditions require or envisage that something will occur or be done on a certain day and that day is not a Business Day, that thing may occur or be done on the next Business Day;
(h) a reference to a clause is a reference to a clause of these Terms & Conditions;
(i) these Terms & Conditions are to be interpreted in a manner that is consistent with the objects of the Plan stated in clause 1.2; and
(j) this Plan is intended to comply with the tax deferral conditions of the employee share scheme provisions set out in the Tax Act and in the event of any ambiguity, these Terms & Conditions and Rules are to be interpreted so that the Plan complies with the tax deferral conditions set out in the Tax Act.

**2.3 Headings**
Headings in this document are for convenience only and do not affect its meaning.

**2.4 Omission of certain provisions**
If (but for this clause) a provision of this document would be illegal, void or unenforceable or contravene the law, this document is to be interpreted as if the provision was omitted.

## 3 OPERATION OF THE PLAN

**3.1 Invitation to participate**
Subject to these Terms & Conditions, the Board may from time to time invite an Eligible Employee to participate in the Plan and grant Rights to an Eligible Employee, as part of the Eligible Employee's remuneration.

**3.2 Form of Invitation**
An Invitation may be in such form and content as the Board determines, including, if applicable:
(a) The Threshold Hurdle (if any);
(b) The Performance Period (if any);
(c) The Performance Conditions (if any); and,
(d) The Vesting Date.

**3.3 Rights subject to the Plan**
Rights will at all times be subject to these Terms & Conditions and the Rules.

**3.4 Binding nature of these Terms & Conditions**
The Plan shall operate in accordance with these Terms & Conditions, which binds NRW and each Participant.

**3.5 Issue or On-Market Acquisition of Securities**
Any Securities to be acquired by a Participant on conversion of a Right under the Plan may be delivered to a Participant at the absolute discretion of the Board, by either the issue to or transfer of Securities to the Participant, or a combination thereof.

**3.6 Ranking of Securities**
Securities delivered under the Plan (upon conversion of Rights) will rank equally with all existing Securities on and from the Date of Registration in respect of all Security holder entitlements (including rights issues, bonus issues and dividends) which have a record date for determining entitlements on or after the Date of Registration.

**3.7 Maximum Number Rights**
Subject to the ASIC Instrument (as applicable), the maximum number of Rights that may be granted at any time is as follows: Securities on issue at Grant Date x 5% minus Rights issued before the Grant Date that at the Grant Date have not lapsed or been forfeited or vested and converted to Securities

**3.8 Quotation of Securities and Rights**
(a) If Securities acquired under the Plan are not quoted on the official list of ASX, NRW must apply for quotation of those Securities on the official list of ASX, or an alternative public securities exchange, as soon as practicable after the allotment of those Securities. NRW Holdings Limited Performance Rights Plan Terms & Conditions
(b) Rights will not be quoted on the ASX or any other public securities exchange.

## 4 LIMITATIONS ON OFFERS OF RIGHTS

**4.1 Overriding Restrictions**
Notwithstanding anything else in these Terms & Conditions, the Plan must be operated in accordance with the Constitution, any Applicable Law, the Listing Rules and the ASX Settlement Operating Rules.

**4.2 No assignment**
Unless the Board determines otherwise, a Participant must not assign to any other person any of their legal or equitable rights to Rights held under the Plan, except a Participant's Legal Personal Representative to be delivered Securities upon conversion of Rights.

**4.3 Third Party Interests over Rights**
Participants must not grant any Third Party Interest over or otherwise deal with any Right or Securities to which a Right may convert or in any way hedge or otherwise limit their exposure to loss of the Right or reduction in value of the Security to which the Right may convert.

**4.4 Expiry or Lapse of Rights**
Rights of a Participant will expire or lapse in accordance with the Rules on the earlier of:

(a) The application of any Threshold Hurdle to the extent that the Rules specify if any Threshold Hurdle is not met;
(b) a Vesting Date to the extent that the Rules specify if the Performance Conditions applied or tested on that Vesting Date are not satisfied;
(c) a Control Event occurring:
    i. to the extent that any Rights are not eligible to vest on a Control Event occurring; and
    ii. in respect of any Rights that are eligible to vest on a Control Event occurring, to the extent that the Rules specify if the Performance Conditions applied or tested on the date on which that Control Event occurs are not satisfied;
(d) a Reconstruction, but only to the extent that there is a requirement under clause 7.3 to reduce the number of Rights;
(e) the termination or resignation of employment of a Participant, subject to a determination of the Board under clause 6.4;
(f) the Participant undertaking any action that is prohibited by these Terms and Conditions or by the Rules, unless approved by the Board; or
(g) any other event or act or omission as determined by the Board in its absolute discretion.

**4.5 Effect of Expiry or Lapse**
On the expiry or lapse of a Right, all rights of a Participant under the Plan in respect of that Rights cease and no consideration or compensation will be payable for or in relation to that expiry or lapse of the Right.

**5 STATEMENT**
NRW or its agent must maintain a register of Rights and provide, or make available to a Participant:

(a) A statement or other record of Rights held at the time of each grant of Rights and on conversion, expiry or lapse of Rights; and
(b) A holding statement for Securities allotted on conversion of Rights supplied in accordance with the ASX Settlement Operating Rules.

**6 VESTING AND CONVERSION OF RIGHTS**

**6.1 No Interest**
A grant of Rights does not confer any legal or equitable interests in Securities until the conversion of the Rights to Securities.

**6.2 Achievement of Performance Conditions**
The Board may, in its absolute discretion, determine that Rights vest or do not vest:

(a) based on the application of the performance Conditions and the Rules; or
(b) for other reasons that the Board considers in its discretion are appropriate despite the Performance Conditions being satisfied.

**6.3 Vesting and Conversion**
Rights which have not expired or lapsed under clause 4.4 will on the latter of the Vesting Date or the date of the determination by the Board as to the satisfaction of any Performance Conditions, vest and, subject to the Rules, the Rights will convert and NRW, will at the election of the Board issue, or procure the purchase or transfer of and deliver, to a Participant the number of Securities equal to the number of Performance Rights held by that Participant that convert under the terms of this Plan.

**6.4 Qualifying Reason**
Subject to clause 7.4, the Board may, either at its discretion or as it may have prescribed in the Rules, on or after the occurrence of a Qualifying Event, vary the Vesting Date or waive or vary any Performance Conditions or Performance Period or a combination thereof to allow the vesting and conversion, expiry or lapse, of Rights.

**7 PRO RATA ISSUES, RECONSTRUCTIONS OF CAPITAL, TAKEOVERS AND TERMINATION BENEFITS**

**7.1 No Right as Participant to Participate in Issues**
A Participant is not entitled, by virtue of any Rights that it holds, to participate in:

(a) new issues of Securities to Security Holders;

(b) bonus issues of Securities or other securities to Security Holders; or
(c) any pro-rata issue of Securities to Security Holders.

**7.2 Participant rights as Security Holder**
To the extent that the Participant or any party related to the Participant is a Security Holder, the Participant is entitled to participate, and nothing in these Terms and Conditions or the Plan prohibits the Participant from participating, subject always to any applicable laws or Listing Rules, in any event of the nature listed in paragraphs (a), (b) or (c) of clause 7.1.

**7.3 Reconstructions**
In the event of any Reconstruction the number of Securities that may be acquired by each Participant on the conversion of any Rights must be adjusted equivalently such that each Right will convert into one Security and the proportion of Securities into which the total number of Rights convert will be the same taking into account the number of Securities on issue after such Reconstruction (Adjustment). Such Adjustment shall be effected a manner that does not result in any additional benefits being conferred on Participants that are not conferred on Security Holders.

Notwithstanding any other provision of these Terms & Conditions, the terms of the Rights will be changed to comply with the Listing Rules applicable to a Reorganisation at the time of the Reorganisation.

**7.4 Control Event**
If there is a Control Event, the Board shall, subject to the Listing Rules give written notice to each Participant as soon as is practically possible after the occurrence of the Control Event that states:
(a) The date on which the Control Event occurred;
(b) The total number of Rights that the Participant held on the date on which the Control Event occurred, and from that number of Rights:
    i. The number of Rights that, according to the Rules, expire or lapse due to the Control Event occurring; and consequently
    ii. The number of Rights that are eligible to vest (being the balance of the total number of Rights held by that Participant on the date on which the Control Event occurred) (Control Event Eligible Rights); and
    iii. In respect of the Control Event Eligible Rights, how many of the Control Event Eligible Rights will vest based on the Board's application of the Performance Conditions to the Control Event Eligible Rights, and consequently how many of those Control Event Eligible Rights will expire or lapse (being the balance of the Control Event Eligible Rights).

**7.5 Termination Benefits**
Nothing in these Terms and Conditions authorises the Board to provide any benefit to a Participant that, without Security Holder approval, would be prohibited under the Corporations Act or the Listing Rules.

**8 ADMINISTRATION OF THE PLAN**

**8.1 Amendment**
Subject to clause 4.1, these Terms & Conditions may be amended at any time and from time to-time by the Board.

**8.2 Powers of the Board**
Subject to clause 4.1, the Plan will be managed by the Board, which will have power to:
(a) make and amend existing and/or additional Terms & Conditions and/or procedures for the operation, control and administration of the Plan and any matter incidental to the Plan;
(b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or the application of the Rules;
(c) determine matters falling for determination in connection with the Plan or the Rules;
(d) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its functions, powers or discretions arising under the Plan;
(e) establish a trust, if required, to acquire, hold and deliver Securities under the Plan, the establishment of a trust to be governed by a separate trust deed;
(f) appoint (and remove) an Administrator to administer the Plan and determine the terms and conditions of the Administrator's appointment (and removal), the appointment (and removal) of an Administrator to be governed by a separate agreement; and
(g) delegate to the Managing Director or the Chairman of the Board the authority to approve in writing the taking of such action as may be reasonably necessary or desirable to implement or effect the Plan (and where the action involves the Managing Director's interests in Securities, the Chairman is delegated authority to approve in writing the action and the Managing Director is precluded from receiving or acting upon any such delegation), including without limitation:
    i. determining the method of allocation of Securities (as the case may be) for the purposes of Clause 3.5 or Securities under Clause 6.3; and

ii. should Securities be acquired on-market in accordance with Clause 3.5, authorising the purchase (on-market) of the Securities and causing their registration in the name of each Participant.

**8.3 Discretion**
A determination, decision, approval or opinion of the Board under these Terms & Conditions (or any additional Terms & Conditions made under clause 8.2(a) or Rules made under clause 12) is in the absolute unfettered discretion of the Board.

**8.4 Decision Final**
The determination, decision, approval or opinion of the Board in respect of any matter relating to the Plan or the Rules will be final. Any calculations or adjustments which are required to be made under the Plan or the Rules will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Participants.

**8.5 Commencement of Plan**
The Plan will take effect on and from 1 February 2012.

**8.6 Termination or suspension of Plan**
The Board may terminate or suspend the operation of the Plan at any time, provided that termination or suspension does not affect or prejudice a Participant's Rights or rights under the Plan existing at that time.

**8.7 Termination or suspension of Participant**
The Board may terminate or suspend the participation of a Participant in the Plan at any time.

**8.8 Disclosure of Information**
NRW and/or the Administrator may disclose such information of a Participant as required by the Tax Act to any relevant government authority including, without limitation a Participant's tax file number and number or value of Rights granted and/or vested or Securities acquired under clause 6.2.

## 9 EMPLOYMENT RIGHTS

**9.1 No entitlements**
If the Plan or the participation of a Participant is terminated or suspended at any time under clause 8.6 or clause 8.7, no compensation under any employment contract will arise as a result. Participation in the Plan in one year does not give rise to any entitlement to participate in the Plan in any subsequent year.

**9.2 No right to acquire Securities**
Participation in the Plan does not confer on any Participant any right to acquire Securities under the Plan, other than under and in accordance with the Plan and the Rules.

**9.3 Calculation of employee benefits**
The value of Rights or Securities (as the case may be) allocated under the Plan does not increase a Participant's income for the purpose of calculating any employee benefits.

**9.4 No right to future employment**
Participation in the Plan does not confer on any Participant any right to continue as an employee of the Group.

**9.5 Termination of employment**
Participation in the Plan does not affect any rights which the Group may have to terminate the employment of any Participant. Nothing in the Terms & Conditions, including participation in the Plan, may be used to increase damages in any action brought against the Group in respect of any termination of employment with the Group.

**9.6 Security holder entitlements**
Rights do not confer on the Participant that holds those Rights any benefit or entitlement other than as stated in these Terms and Condition or the Rules. There is no entitlement to dividends on Rights or to any entitlements attaching to Securities.

## 10 NOTICES

**10.1 Notice to Participants**
Any notice or direction given under these Terms & Conditions is validly given to a Participant if it is handed to the Participant concerned or sent by ordinary prepaid post to the Participant's last known address or sent to the email address last notified by the Participant or if no such address is notified then the Participant's NRW email address.

**10.2 Notice to NRW**
Any notice given by a Participant to NRW under these Terms & Conditions must be given in writing and delivered to the Company Secretary of NRW Holdings Limited by hand, post or by email and if by email to the NRW email address of the Company Secretary.

**10.3 Receipt of notices**
Notices are taken to be received:

(a) if hand delivered, on delivery;
(b) if sent by prepaid post, five Business Days after the date of posting;
(c) if by electronic mail, when the electronic communication enters the recipient's information system(s).

## 11 PLAN COSTS AND EXPENSES

**11.1 Costs of NRW**
Subject to clauses 11.2 and 11.3, unless otherwise determined by the Board, NRW must pay all costs relating to the establishment and operation of the Plan, including all costs and expenses in relation to the delivery of the Rights and/or Securities except that NRW is not responsible for any Taxes which may become payable by a Participant in connection with the Rights or Securities (as the case may be) or any other dealing with the Rights or Securities (as the case may be).

**11.2 Costs of Participants**
Each Participant will pay all costs and expenses in relation to the sale, transfer or other disposal of any Securities acquired upon conversion of Rights under the Plan and to any advice a Participant seeks in relation to its participation in the Plan or issue of any Rights or Securities under the Plan.

**11.3 Withholding Tax**
NRW or any Group company may withhold from amounts otherwise owing to a Participant, or require the Participant to remit to it, an amount sufficient to satisfy all withholding tax obligations and any government imposts, in respect of any or all of the Rights issued, or Securities issued or transferred on conversion of the Rights, under the Plan.

## 12 RULES

The Board may apply, make and/or amend Rules for the operation of the Plan or its application to an individual Eligible Employee, not inconsistent with these Terms & Conditions and those Rules shall apply for each grant of Rights.

## 13 GOVERNING LAW AND JURISDICTION

The laws of the State of Western Australia, Australia, govern these Terms & Conditions and the rights of the Participants thereunder. Each Participant irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Western Australia, Australia and courts entitled to hear appeals from those courts.

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**

# 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 (Perth time) on Tuesday, 26 November 2019 at the Duxton Hotel, 1 St Georges Terrace, Perth** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 2, 4 & 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 & 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 except Resolution 3 where undirected proxies will be voted against the resolution (if Resolution 3 is put to the meeting).**

## 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 Peter Johnston | ☐ | ☐ | ☐ |
| **2** 2019 Remuneration Report | ☐ | ☐ | ☐ |

**Important Note:** The following resolution will only be put to the meeting if more than 25% of votes validly cast on Resolution 2 are cast against that Resolution.

| | | | |
|---|---|---|---|
| **3** Spill Resolution (conditional item) | ☐ | ☐ | ☐ |
| **4** Approval of Performance Rights Plan | ☐ | ☐ | ☐ |
| **5** Executive Incentive Scheme (Mr Julian Pemberton – CEO & Managing Director) | ☐ | ☐ | ☐ |
| **6** Amendments to Constitution | ☐ | ☐ | ☐ |

* 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).

**NWH PRX1901N**

# 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" must 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 (Perth time) on Sunday, 24 November 2019,** 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).

**BY MOBILE DEVICE**

**QR Code**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

**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).

**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.**