

## **CORPORATE GOVERNANCE POLICY**

### **A. Preamble**

The corporate objective of New World Resources Plc ("NWR"), its subsidiaries and NWR Group as a whole (the "Group") is to create long term value through the discovery, development, production and conversion of natural resources, and the restructuring of companies owning or servicing natural resources.

The Board of Directors of NWR (the "Board") has adopted the following policy to outline the Group system of governance and provide a framework enabling the Board to carry out its mission. While this is an internal document and creates no rights or responsibilities for third parties, NWR Board directors and management agree to implement this Corporate Governance Policy (the "Policy") unless there are specific reasons to deviate from it, in which case there should be a decision by the Board.

The Policy lays out provisions regarding:

- the Board's main tasks and authorities, as well as its structure, composition, and functioning;
- the qualification and independence of directors, their nomination and election, directors' rights and duties;
- procedures to deal with conflicts of interest and related party transactions, rules on competing engagements, and directors' retirement by rotation; and
- the Board's relationship with shareholders and complaints.

Such a framework will promote continuity, consistency and effectiveness in the way the Board directs and controls the business of the Group.

NWR aspires to the highest standards of governance and this Policy is based on global best practice, primarily as reflected in the UK Corporate Governance Code (the "Code"). Guidance contained in the Code will be adapted, as needed and in a fully transparent way, to promote the achievement of the corporate objective and reflect the Group's history and culture.

### **B. The Policy**

1. *Mission of the Board:* The role of the Board is to represent NWR, its shareholders and other stakeholders, to promote the achievement of the corporate objective and protect and be collectively responsible for the long-term success of the Group. To this end, the Board ensures the strategic direction, management supervision and control of NWR and the Group. The Board is responsible for the quality of its own performance and should have an appropriate balance of skills, experience, independence and knowledge of NWR to enable it to discharge their respective duties and responsibilities effectively.
2. *Main Tasks of the Board:* In fulfilling its overall mission, the Board assumes the following tasks and responsibilities:

- 2.1 Present a fair, balanced and understandable assessment of the Group's position and prospects (and establish arrangements that will enable it to ensure the information presented in reports is fair, balanced and reasonable).
- 2.2 Review and approve the multi-year business plan and the annual budget of the Group, oversee management and provide guidance on the achievement of objectives set out in the business plan and budget.
- 2.3 Ensure that the Board's composition, structure, policies and processes meet all relevant legal and regulatory requirements. To this effect, approve and regularly review the present Policy, the Chart of Authorities delegating powers to management, rules for Board committees, and when necessary, the Articles of Association of NWR (the "Articles"), and propose substantive amendments to the Articles to the General Meeting of Shareholders of NWR (the "General Meeting").
- 2.4 Ensure that the principles of this Policy are followed throughout the Group and that appropriate policies to this effect are put in place. The Board also ensures that NWR complies with all relevant laws and regulations, and the management of the risks associated with NWR's activities and financing.
- 2.5 Oversee the development and maintenance of policies to attract, retain, and motivate Group executives of high calibre; a Group culture and system of incentives that fairly evaluates effort and rewards performance; and a coherent and ethical system of values and human resource development throughout the Group.
- 2.6 Nominate, review the service contracts and, when necessary, relieve executive directors from their executive functions. Executives should undertake to resign from the Board upon termination of their executive mandate.
- 2.7 Determine the annual remuneration of non-executive directors within the limits set in the Articles and the remuneration policy.
- 2.8 Determine the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.
- 2.9 Ensure that NWR and the Group has a formal, effective and transparent system of corporate reporting and internal control, including financial control, compliance and risk management; evaluate the internal control system on an annual basis; ensure the effectiveness and independence of external and internal audit functions and of the legal and regulatory compliance function.
- 2.10 Prepare, review and approve NWR's and the Group's consolidated financial statements (annual accounts), including the annual report of NWR; ensure the integrity of all financial and non-financial regular or ad hoc disclosures by

NWR and the Group; and review quarterly results prior to their public disclosure.

- 2.11 Approve and regularly review the implementation of the Code of Ethics and Business Conduct of NWR for all Group employees, and, following the coming into force of the UK Bribery Act 2010, to approve, adopt and regularly review the implementation of a policy to be adopted to ensure compliance by all Group employees with the UK Bribery Act 2010.
- 2.12 Review and approve major transactions by NWR and the Group, as defined in the Chart of Authorities, including acquisitions by NWR or other Group companies of stakes in other companies; propose relevant resolutions to the General Meeting whenever required by law or the Articles.
- 2.13 In respect of non-executive directors and as part of their role as members of the Board, constructively challenge and help develop proposals on strategy.
- 2.14 Review and approve transactions in which directors and related parties (as defined in par. 8.14.1 below) might have conflicts of interest that are of material significance. The Board is responsible for deciding on how to resolve conflicts of interest between executive directors, non-executive directors, major shareholders and the external auditor on the one hand, and NWR on the other, with due observance of the relevant policies and rules of the Board and its committees.
- 2.15 Review and approve the Divisional Policy Statements of NWR (the "DPS") pertaining to the functioning of the Group's Real Estate Division and its interaction with the Group's Mining Division and make decisions related to its implementation, with due observance of the relevant policies and rules of the Board and its committees.
- 2.16 Review, and where appropriate, take decisions on all matters related to the Group entities that are decided by their shareholders according to their articles of association, except where expressly assigned to other bodies of NWR.
- 2.17 Decide on any other issue, as required by laws, regulations, the Articles, or considered by the Chairman of the Board and the Board to be of importance to NWR and the Group.

### *3. Authority of the Board:*

- 3.1 In appointing the Board, shareholders vest the management and control of the business and affairs of the Group in the Board. The Board may decide to delegate part of its powers in specific areas to one or more of its members or to executives and staff of NWR. It might also decide to delegate the right to the Chairman or to any executive director, and to further confer delegated authorities to employees of NWR.

- 3.2 The above delegations and authorities should be clearly outlined in the Chart of Authorities which is maintained by the Board.

4. *Composition and Structure of the Board:*

- 4.1 *Board Size:* The Board shall consist of 9-20 directors. The exact number of directors shall be determined by the Board subject to a minimum number as specified in the Articles and should be sufficient to ensure the requirements of the business can be met and that changes to the Board's composition and that of its committees can be managed without undue disruption and should not be so large as to be unwieldy. Directors shall be elected by the General Meeting, in accordance with the Articles. The Board might decide not to fill any vacant post following a resignation, death or discharge of a director until the next General Meeting.
- 4.2 *Board Independence:* The Board will have the balance of non-executive and executive directors that is effective for the promotion of the corporate objective, the protection of the interests of all NWR shareholders and stakeholders and the governance of the Group. The Board will strive to have a majority of directors who are non-executive and are judged by the Board to be independent of judgment and character and free of material relationships with the Group and other entities and people that might influence or would be perceived by shareholders to influence such judgment (see 6.4 below). The Board will strive to ensure no one individual has unfettered powers of decision. The Board will determine a non-executive director's independence on the basis of par. 6.4.
- 4.3 *Role and Responsibilities of the Chairman of the Board:* The Board shall elect a Chairman from among its members. The Nomination Committee of the Board will develop a plan for the succession of the Chairman, and will periodically evaluate the plan. The Chairman:
- 4.3.1 Is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.
- 4.3.2 Facilitates the work of the Board at its meetings in compliance with the Policy.
- 4.3.3 Approves the annual rolling agenda for the Board as well as the agenda for each meeting.
- 4.3.4 Has authority to act and speak for the Board between its meetings, including engaging with senior managers of the Group. The Chairman will report to the Board and committee chairmen as appropriate on decisions and actions taken between meetings of the Board.
- 4.3.5 Ensures that directors receive and follow their induction and education or training programme.
- 4.3.6 Ensures that directors are supplied in a timely manner with information in a form and of a quality appropriate to enable them to discharge their duties.

- 4.3.7 Ensures that there is sufficient time for consultation and decision-making by the Board.
  - 4.3.8 Ensures that a rigorous performance evaluation of non-executive and executive directors, the Board and its committees is conducted as described in paragraph 5.4.
  - 4.3.9 Ensures that the Board elects at least one Vice-Chairman.
  - 4.3.10 Acts as the main point of contact between non-executive directors and senior management of the Group.
  - 4.3.11 Oversees the orderly and efficient conduct of the General Meetings.
  - 4.3.12 Ensures effective communications with the shareholders of NWR.
  - 4.3.13 Decides on all executive matters on which he has been granted authority by the Board, in accordance with the Chart of Authorities.
  - 4.3.14 Promotes a culture of openness and debate by facilitating the effective contribution of the non-executive directors and ensuring constructive relations between executive and non-executive directors.
- 4.4 *Vice Chairman of the Board:* The Vice Chairman shall act as Chairman in the event that the Chairman is unable to do so for any reason. In case no Vice Chairman has been elected, the Board will identify a non-executive director to act as Chairman in the event that the Chairman is unable to do so for any reason.
- 4.5 *Senior Independent Director:* The Board should appoint one of the independent non-executive directors as the Senior Independent Director. The Senior Independent Director should be available to shareholders if they have concerns which the Chairman, the Vice Chairman or the CFO have not resolved or if they have concerns related to Board independence.
- 4.6 *Board Committees:* The Board should establish and maintain the following regular Board committees to assist the decision-making of the Board:
- 4.6.1 An Audit and Risk Management Committee (the "ARMC") responsible for ensuring the integrity of consolidated financial statements and consolidated accounts; supervising the Board's supply of financial information; monitoring funding and treasury management; overseeing that management is ensuring the adequacy of Group internal control, compliance and risk management; overseeing Group internal and external audit functions; and monitoring and approving all related party transactions. In particular, the ARMC is to make recommendations to the Board, for it to put to shareholders for their approval in a General Meeting, in relation to the appointment, re-appointment and removal of NWR's external auditor. The ARMC also approves the remuneration and terms of engagement of the external auditor and reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements. The ARMC further

- (a) develops and implements policy on the engagement of the external auditor to supply non-audit services and reports to the Board, identifying any matters in respect of which it considers action or improvement is needed and making recommendations as to the steps to be taken; and
  - (b) monitors the integrity of any formal announcements relating to the financial performance of NWR, reviewing significant financial reporting judgments contained in them. The ARMC is wholly composed of independent non-executive directors and shall include at least one financial expert among its members.
- 4.6.2 A Remuneration Committee (the "RC") responsible for making proposals to the Board on the remuneration policy for NWR and the Group; evaluating and setting the remuneration for the executive directors of the Board and the Group's senior managers, as the case may be (being sensitive to pay and employment conditions elsewhere in the Group, especially when determining annual salary increases). The RC should also be responsible for appointing any consultants in respect of executive director remuneration. The RC is wholly composed of non-executive directors with a majority of independent non-executive directors.
- 4.6.3 A Safety, Health and Sustainability Committee (the "SHSC") responsible for assessing the Group's policies, controls and overall performance on health, safety and the environmental issue. The SHSC also advises the Board on specific issues in these areas as well as in the area of corporate social responsibility.
- 4.6.4 A Real Estate Committee (the "REC") responsible for overseeing the interaction between the businesses of the Mining Division and the Real Estate Division of the Group pursuant to the DPS. The REC gives its advice to the Board on all significant matters related to the management of the Real Estate Division in accordance with the DPS. The REC is wholly composed of independent non-executive directors.
- 4.6.5 A Nomination Committee (the "NC") responsible for maintaining an appropriate Board composition, nominating directors for appointment to the Board, and for the periodic evaluation of the Board's work in accordance with the Policy and the NC's rules.
- 4.6.6 The members of the committees and their chairmen shall be appointed by the Board. Each committee shall have its own rules, which shall be approved by the Board. The Board shall receive regular reports from each of the committees on its deliberations and findings. No one other than the Chairman, the directors and the Company Secretary shall attend the committee meetings unless invited.
- 4.6.7 The Board will ensure the maintenance of a proper corporate governance framework for NWR and the Group.
- 4.6.8 The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

## 5. Functioning of the Board:

### 5.1 *Meetings:*

- 5.1.1 The Board should meet sufficiently regularly to discharge its duties effectively. The Board expects to meet at least six times per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the offices of NWR, but may also take place elsewhere in the Netherlands. The directors may participate in meetings by telephone or videoconference provided all participants can hear and speak to each other simultaneously (so long as the members participating in such meetings by telephone or videoconference are not present in the UK).
- 5.1.2 The Board has the authority to fix the quorum of its meetings, and unless so fixed the quorum is one half plus one of the directors. Decisions are taken by majority of those participating.
- 5.1.3 The proceedings and decisions of the Board and its committees are recorded in minutes prepared by the Company Secretary and can be filed in an electronic form. Minutes of every meeting should be distributed and approved at the following Board or committee meeting and kept by the Company Secretary.
- 5.1.4 The agenda of every Board meeting will be set by the Chairman assisted by the Company Secretary. Any director has the right to propose an item for the agenda.
- 5.1.5 At its first meeting of every calendar year, the Board should adopt a calendar of meetings and a rolling agenda for the next 12 months so that it properly fulfils its tasks and responsibilities and responds to all matters reserved for its decision.
- 5.1.6 Meetings shall be attended by the Company Secretary and NWR's Chief Legal Officer. The Chairman may invite other Group senior managers and external advisors to participate as required. The Chairman may at any time decide to exclude from the Board meeting any non-members.
- 5.1.7 Directors should receive adequate documentation for each item on the Board's agenda. The agenda and the meeting documents should be distributed at least three working days before the meeting. Distribution by electronic means is considered valid.

5.2 *Board Retreat:* Once a year, the Board should go on a retreat to review and discuss Group strategy, the multi-year business plan of NWR and its implementation. Key senior managers of the Group and external advisors may be invited to the retreat. Outside experts on specific issues might also be invited to make presentations. The Chairman of the Board is responsible for the agenda of the retreat.

5.3 *Board Budget:* At the end of each calendar year, the Board approves a budget for the following year to support its work and that of its committees.

- 5.3.1 The budget should have specific allocations for the Board and for each Board committee.

- 5.3.2 Commitments on these allocations are approved, as appropriate, by the Chairman of the Board or the chairman of each committee.
- 5.3.3 The budget can be used to:
- (a) engage such independent legal, financial or other advisors as the Board or its committees deem appropriate, without consulting or obtaining the approval of any officer of NWR, with respect to any matters subject to their respective authority;
  - (b) support professional induction and development programmes for directors;
  - (c) support any other activities that are essential to the effective discharge of the responsibilities of the Board or its committees.
- 5.3.4 The Company Secretary, in co-operation with the CFO, is responsible for preparing the yearly Board budget proposals to the Chairman and the Board for approval. He/she is also responsible for monitoring its implementation and submits an annual report to the Board at the beginning of each calendar year.
- 5.4 *Board Evaluation:* The Board will conduct a formal and rigorous annual performance evaluation of its work and functioning, its committees, its Chairman, individual directors and the governance processes which support Board work.
- 5.4.1 The Board will discuss at least once a year both its own functioning and that of the individual directors, and the conclusions that must be drawn on the basis thereof. The desired profile, composition and competence of the Board will also be discussed.
- 5.4.2 The performance evaluation should be externally facilitated every three years.
- 5.4.3 The Board will use the results of these discussions in considering the endorsement of directors seeking re-election by shareholders.
- 5.5 *Company Secretary:* The Company Secretary shall ensure that the Policy and all other required Board procedures are followed. He/she assists the Chairman in the organisation of the Board meetings, and ensures that the Board acts in accordance with its statutory obligations and its obligations under the Articles. The Company Secretary's advice and services shall be available to all directors and Board committees. He/she is accountable to the Board and his/her appointment and removal is a matter for the Board as a whole. The Board, on the proposal of the Chairman, also approves the Company Secretary's terms of reference. The Company Secretary shall further ensure that other governance policies of the Company are followed, communicated, implemented and regularly reviewed. The Company Secretary is further responsible for timely communication and implementation of the governance policies relevant to the Group and ensuring good information flows within the Board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required.

- 5.6 *Non-executive Session of the Board:* Non-executive directors will meet at least once a year without the presence of executive directors or representatives of executive management to discuss the performance of its Chairman and other executive directors or any other issues or concerns regarding the management of NWR and its subsidiary companies. The Chairman will not take part in this meeting, given his executive authorities. The meeting will be chaired by the Senior Independent Director. The Senior Independent Director has the right to call a non-executive session whenever he/she deems it necessary.

6. *Director Qualification and Independence:*

- 6.1 *Director Qualifications:* In order to be considered by the Board as a candidate for the Board's proposed slate to the AGM, a candidate should have:
- 6.1.1 Unquestioned honesty and integrity, and a history that indicates he or she is committed to high ethical standards;
  - 6.1.2 A proven ability to create value for shareholders through his/her specific competences and their relevance to the corporate objective;
  - 6.1.3 The ability to apply strategic thinking to matters at issue;
  - 6.1.4 A clear sense of the balance between the legitimate interests and concerns of all NWR's shareholders and other Group stakeholders;
  - 6.1.5 The willingness and intellectual authority to challenge management, while working constructively as part of a team in an environment of trust;
  - 6.1.6 Sufficient time and energy to devote to the Board affairs and discharge his/her responsibilities effectively;
  - 6.1.7 The skills, expertise and knowledge that complements those of the existing directors; and
  - 6.1.8 A willingness to understand and commit to the highest standards of governance of the Group.
- 6.2 *Board Profile:* In the context of nomination proposals by the Board to the General Meeting, the Board should ensure that it maintains the following collective profile:
- 6.2.1 Superior knowledge of the mining industry and the Group's business, including individuals that have or have had leadership positions in the mining industry.
  - 6.2.2 Business, governmental, or other professional experience relevant to the corporate objective, including individuals that are serving or have served as chairmen, chief executive officers or senior managers of large organisations and have a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.
  - 6.2.3 Adequate understanding of the economics of the sectors and the main geographic markets in which the Group operates.
  - 6.2.4 International and regional (CEE) experience.
  - 6.2.5 Adequate understanding of the health, safety, environmental and community challenges that the Group faces.

- 6.2.6 Financial expertise and understanding of complex accounts, financial control and capital structure issues. At least one non-executive director shall be a financial expert, in the sense that he has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.
- 6.3 The Board, supported by the NC, will periodically review the skills, experience, independence and knowledge of the Group of the individual directors and determine whether the composition and mix of those skills, experience, independence and knowledge of the Group remain appropriate to enable the directors to discharge their respective duties and responsibilities effectively.
- 6.4 *Definition of Director Independence:* A director shall be deemed to be independent if the following criteria of dependence do not apply to him/her. The non-executive director concerned or his wife/her husband, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
- 6.4.1 Has been an employee of NWR or the Group within the last five years;
  - 6.4.2 Receives personal financial compensation from any Group company other than the compensation received as director;
  - 6.4.3 Has had an important business relationship with NWR or a company associated with it, in the last three years;
  - 6.4.4 Holds a cross-directorship or has any significant links with other directors through involvement in other companies or bodies where these cross-directorships or links would materially interfere with the director's objective, unfettered or independent judgement or ability to act in the best interests of NWR;
  - 6.4.5 Holds directly or indirectly more than ten per cent of the A Shares or B Shares of NWR;
  - 6.4.6 Is a member of the (management or supervisory) board or senior management of an entity which holds directly or indirectly at least ten per cent of the A Shares or B Shares of NWR; and
  - 6.4.7 Has served on the Board for more than nine years from the date of his/her first election.
- 6.5 *Director Induction:* The Company Secretary will design and maintain a training and development programme to ensure that new directors acquire and that existing directors regularly update and refresh their skills and knowledge of the Group's business. The programme should cover general financial and legal affairs, financial reporting by NWR, any specific aspects that are unique to NWR and its business activities, and the responsibilities of a director. The Chairman shall conduct an annual review to identify any aspects with regard to which directors require further training or education during their period of appointment. The orientation programme may also include visits to NWR significant subsidiaries.

7. *Director Remuneration, Nomination and Election:*

- 7.1 *Remuneration:* Executive directors' remuneration should be designed to promote the long-term success of the Group. Performance-related elements should be transparent, stretching and rigorously applied. There shall be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director shall be involved in deciding his or her own remuneration. The Board determines the remuneration of non-executive directors within the limits set in the Articles. Shareholders should be invited to approve all new long-term incentive schemes and significant changes to existing schemes.
- 7.2 *Loans to Directors:* NWR shall not grant its directors any personal loans, guarantees or the like unless in the normal course of business and after approval of the Board. No remission of loans shall be granted.
- 7.3 *Director Nomination and Election:* The Board shall develop and manage, on the recommendations of the NC, a policy and process for the nomination of directors to be proposed to the General Meeting by the Board. There shall be a formal, rigorous and transparent procedure for the appointment of new directors to the Board, and all directors shall be submitted for re-election at regular intervals, subject to continued satisfactory performance.
- 7.4 The terms and conditions of appointment of non-executive directors should be made available for inspection by any person at the NWR's registered office during normal business hours and at the AGM.

8. *Director's Rights and Duties:*

Rights

- 8.1 *Access to the Agenda:* Any director may request that the Chairman of the Board includes one or more items on the next Board meeting agenda.
- 8.2 *Adequate Insurance:* Directors should be adequately covered against legal or other risks in conjunction with their duties at the cost of NWR.
- 8.3 *Record of Disagreements:* Directors should have the right to express disagreement with a decision of the Board in writing and to record their opinion in the minutes.
- 8.4 *Privacy:* Directors should have a right to have all their disclosures to the Board, its committees or NWR that are not already a matter of public record remain confidential, unless the release of such information is required by law, the Articles, this Policy or specific policies approved by the Board.

Duties

- 8.5 All Directors should be able to allocate sufficient time to NWR to discharge their responsibilities effectively and should act in what they consider to be the best interests of NWR.
- 8.6 *Obtaining Information:* The Board and the individual directors each have their own responsibility for obtaining all information from senior management and the external auditor that the Board needs in order to be able to carry out its duties properly. If the Board considers it necessary, it may obtain information from officers and external advisers of NWR and the Group.
- 8.7 *Contribution of Knowledge and Expertise:* Directors are expected to utilise their range of relevant skills, knowledge and experience for all matters discussed at Board meetings. Executive directors will ensure that they bring to all Board debate and discussion their unique knowledge, experience, and perspective on the Group's businesses.
- 8.8 *Ethics and Reputation:* Directors should uphold the highest ethical standards and maintain an impeccable reputation. Any issue that can impact on their reputation and trustworthiness in any country where the Group is active should be reported to the Chairman of the Board. Each director will ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of NWR.
- 8.9 *Compliance:* Directors should undertake to comply with all laws and regulations in all aspects of their public and private lives. Any ongoing litigation in which they are involved or a real risk thereof should be reported to the Chairman of the Board.
- 8.10 *Regular Attendance:* Directors will use all reasonable endeavours to attend Board meetings in person or whenever this is not possible, by teleconferencing. Directors unable to attend a meeting must advise the Chairman and Company Secretary as soon as practicable with an explanation for non-attendance. Directors who are frequently absent shall be called to account as NWR will report on Board attendance in the annual report.
- 8.11 *Induction Programmes:* Directors will be expected to participate in induction or orientation programmes, and any continuing education or training arranged for them.
- 8.12 *Collective Decision-making:* Directors commit to the collective, group decision-making processes of the Board. Individual directors will always respect the contributions of other directors, and strive to understand their perspective and contributions to Board debate and discussion. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their own judgment differs from that of other directors.

8.13 *Confidentiality*: Directors must maintain strict confidentiality of all information concerning NWR and the Group, that has not been disclosed by NWR or any of its subsidiaries, and they have the duty not to disclose any information, data, reports or background information which comes to their knowledge in the course of their duties, as long as this information has not otherwise become public or where disclosure is required pursuant to any statutory provision, the rules of any officially recognized exchange or a binding decision of a court or another government authority. This obligation shall continue once a director has left the Board.

8.14 *Conflicts of Interest and Related Party Transactions*:

8.14.1 For the purposes of the Policy, "related party" refers to: (a) the wife/husband of a director; (b) a registered partner or other life companion of a director; (c) a foster child or relative by blood or marriage up to the second degree of a director; (d) any entity in which a director or a director's related party holds directly or indirectly at least ten per cent of the shares or other ownership interest; (e) a member of the (management or supervisory) board or senior management of an entity which holds directly or indirectly at least ten per cent of the A Shares or B Shares or D Shares of NWR; and (f) an entity which holds directly or indirectly at least ten per cent of the A Shares or B Shares of NWR or D Shares. A reference to a "director's related party" is to a person falling within (a), (b), (c) or (d) above in relation to the particular director.

8.14.2 A director shall:

- (a) avoid entering directly or indirectly into competition with NWR;
- (b) not demand or accept any material gifts from NWR for himself/herself or a related party;
- (c) not provide unjustified advantages to third parties to the detriment of NWR;
- (d) avoid taking advantage of business opportunities to which NWR is entitled for himself/herself or a related party.

8.14.3 A conflict of interest exists in any event if NWR or other entities in the Group intend to enter into a transaction with an entity:

- (a) in which a director or a director's related party has a material financial interest;
- (b) on whose (management or supervisory) board sits a director or a director's related party; or
- (c) in which a director or a director's related party has a senior management position.

For these purposes "transaction" includes any transfer or allocation of real estate between the Real Estate Division and the Mining Division and any other act, matter or determination to be made by the Board when some value or liability can or may transfer or be allocated between those Divisions (but does not include the declaration or payment of any (interim or final) dividend or distribution from the dividend reserve B or the share premium reserve of the B Shares to the holders of the

B Shares), in which case a director will have a conflict of interest if the director or the director's related party holds directly or indirectly at least ten per cent of the A Shares or B Shares of NWR, or is a member of the (management or supervisory) board or senior management of an entity which holds directly or indirectly at least ten per cent of the A Shares or B Shares of NWR.

- 8.14.4 A director shall immediately report any conflict of interest or potential conflict of interest that is of material significance to NWR and/or to him/her to the Senior Independent Director, and shall provide all relevant information, including information concerning a related party.
- 8.14.5 If the Senior Independent Director has a conflict of interest or potential conflict of interest that is of material significance to NWR and/or to him/her, he/she shall report this immediately to the Board and shall provide all relevant information.
- 8.14.6 The director concerned shall not take part in the assessment by the ARMC of whether a conflict of interest exists. If the ARMC considers that there is a conflict of interest, it shall make appropriate recommendation to the Board.
- 8.14.7 A director shall not take part in a discussion and/or decision-making on a transaction in relation to which he/she has a conflict of interest with NWR or any other entity in the Group.
- 8.14.8 All transactions with any related party or in which a director has a conflict of interest shall be agreed on arm's length terms. Decisions in relation to transactions falling within this paragraph that are of material significance to NWR and/or to the relevant director or the director's related party require a resolution of the Board on a proposal of the ARMC or the REC.

#### *9. Competing Engagements:*

- 9.1 The number of boards of listed companies of which a non-executive director may be a member shall be limited so that the proper performance of his/her duties is assured; in principle he/she should have no more than five board memberships in other companies not related between themselves. Chairmanship of a publicly listed company board counts double.
- 9.2 Full time executive directors may not take on more than one non-executive directorship in a FTSE 100 company nor the chairmanship of such a company. The acceptance by an executive director of such board membership requires the approval of the Board. Other important non-executive positions held by an executive director shall be notified to the Board.

#### *10. Directors' Retirement by Rotation:*

- 10.1 Directors shall be appointed for a term that shall lapse in the fourth year after the year of their appointment on the day on which the Annual General Meeting is held. A retiring director shall be eligible for a re-election.

- 10.2 A non-executive director may be appointed to the Board for a maximum of three 4-year terms.
- 10.3 The Board will draw up a schedule of the directors' retirement by rotation in order to avoid, as far as possible, a situation in which more than one third of the Board retires at the same time.

11. *Relationship with Shareholders:*

- 11.1 *Agenda:* The Board decides the issues that will be put on the agenda of the General Meeting, notwithstanding the mandatory right for holders of the requisite percentage of shares or voting rights in NWR to include items on the agenda of the shareholders meetings. Shareholders should receive all adequate documentation and other information regarding all agenda items at the time the agenda is published.
- 11.2 *Shareholder Participation:* There should be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The Board should communicate with shareholders, facilitate and encourage the participation of shareholders and ensure informed shareholder decision making at the General Meeting. To this effect, the Company Secretary develops and maintains procedures for the organisation of the General Meeting.
- 11.3 *Stock-related Executive Remuneration:* The General Meeting approves all new long-term incentive schemes including stock-related executive compensation plans. The Board, assisted by the RC, submits a proposal to this effect. The main elements of every plan should be made available to shareholders at the time of the publication of the General Meeting agenda.
- 11.4 *Corporate Governance Report:* The Board of NWR will include in its annual report an annual corporate governance report (the "Corporate Governance Report") to the shareholders. The Company Secretary should assist the Board in drafting the Corporate Governance Report which should, amongst other disclosures, contain the following main elements:
  - 11.4.1 A statement of compliance with the Code, including an explanation of the ways in which any of the actual corporate governance practices of NWR differ from particular provisions of the Code, and how those actual practices of NWR are consistent with the underlying principles to which the particular provisions relate, contribute to good governance and promote the delivery of business objectives;
  - 11.4.2 A summary of the activities of the Board during the year, and the description of the main items discussed in Board committees;
  - 11.4.3 The composition of the Board, highlighting changes in composition during the year, and membership of all Board committees;

- 11.4.4 Biographies of all directors including their gender; age; profession; principal position; nationality; other positions, in so far as they are relevant to the performance of the duties of the director; date of initial appointment; and the current term of office;
  - 11.4.5 A statement of compliance with the Board independence requirements contained in the Code, and the identification of directors that are not considered to be independent;
  - 11.4.6 The number of meetings (including non-executive director meetings) and attendance levels for the Board and its committees;
  - 11.4.7 References to the Board's discussions and conclusions regarding the functioning of the Board and the individual directors, as well as its evaluation of the performance of executive directors;
  - 11.4.8 Any significant changes in the governance structure that occurred during the year. Substantial changes in the corporate governance structure of NWR and in the compliance of NWR with the Code shall be submitted to the General Meeting for discussion under a separate agenda item;
  - 11.4.9 All related party transactions approved by the Board during the period;
  - 11.4.10 All material decisions related to the implementation of the DPS; and
  - 11.4.11 References to the Board's discussions regarding corporate strategy and the risks of the business, and the result of the Board's assessment of the structure and operation of the internal risk management and control systems.
- 11.5 *Remuneration Report:* The remuneration report shall be prepared by the RC and submitted to the Board for adoption. It will provide a description of the proposed remuneration policy for the next three years, which will be subject to a binding shareholder vote, and details of directors' remuneration for the preceding year, which will be subject to an advisory shareholder vote.

## 12. *Complaints:*

- 12.1 The Board shall ensure that complaints received by NWR in relation to the financial reporting, the internal risk management and control systems and the audit are received, recorded and dealt with.
- 12.2 The Board shall ensure that Group employees can report alleged irregularities within the Group of a general, operational or financial nature to the Chairman of the Board, the Senior Independent Director or an officer designated by the above, without jeopardising their legal position. A Whistleblower Procedure will be set out in the Code of Ethics and Business Conduct and regularly reviewed by the Board.

### **C. Implementation and Review**

1. *Letter of Appointment:* Non-executive directors shall receive and countersign a letter of appointment which highlights their responsibilities, rights and duties including their duty to comply with this Policy.
2. *Review and Amendments:* The Policy shall be reviewed annually by the Board along with the other elements of the NWR's corporate governance framework. The Board might, at its own initiative, overrule specific provisions of this Policy and will explain its decisions in such cases in its minutes. The Board may also decide to amend the present Policy at any time.
3. The Policy shall be posted on the website of NWR.