

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

**BIG RIVER INDUSTRIES LIMITED**

ABN / ARBN:

72 609 901 377

Financial year ended:

30 June 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <http://bigriverindustries.com.au/investors/>

The Corporate Governance Statement is accurate and up to date as at **27 August 2019** and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: **27 August 2019**

Name of Director or Secretary authorising lodgement: **Steve Parks – Company Secretary**

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> detailed at 1.2(b) All material information relevant to a decision on whether to elect or not elect or re-elect a director is contained in the Company's AGM notice of Meeting at <a href="http://bigriverindustries.com.au/Investors/?page=Home">http://bigriverindustries.com.au/Investors/?page=Home</a> in the Announcements section	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in our Board Charter at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so for 1.5 (c) in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>2.1(a)(4) Corporate Governance Statement</p> <p>2.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer the Remuneration Report in the Annual Report. Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here] ... and, where applicable, the information referred to in paragraph (b): Not Applicable ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>4.1(a)(4) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a>.</p> <p>4.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a>.</p> <p>Note: The Committee is a combined Audit and Risk Committee.</p>	<p>For 4.1 (a)(2)</p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> ... and a copy of our Disclosure and Communications Policy or a summary of it: <input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors">http://bigriverindustries.com.au/Investors</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>7.1(a)(4) Corporate Governance Statement</p> <p>7.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a> in the Announcements Section</p> <p>Note: The Committee is a combined Audit and Risk Committee.</p>	<p>For 7.1 (a)(2)</p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> see the Directors Report Section of the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a>.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in the Company's prospectus dated 24 March 2017, which is available on the Company's website at <a href="http://bigriverindustries.com.au/Investors/?page=Home">http://bigriverindustries.com.au/Investors/?page=Home</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://bigriverindustries.com.au/Investors/?page=Corporate-Governance">http://bigriverindustries.com.au/Investors/?page=Corporate-Governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>8.1(a)(4) Corporate Governance Statement</p> <p>8.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a>.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Remuneration Report section of the Annual Report at <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a> in the Announcements Section</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Annual Report Refer <a href="http://bigriverindustries.com.au/Investors/?page=ASX-Announcements">http://bigriverindustries.com.au/Investors/?page=ASX-Announcements</a>.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## **BIG RIVER INDUSTRIES LIMITED**

### **CORPORATE GOVERNANCE STATEMENT**

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The Board of Directors (**Board**) is responsible for the overall corporate governance of Big River Industries Limited and its related entities (**Big River or Company**) including adopting appropriate policies and procedures designed to ensure that the Company is properly managed to protect and enhance shareholder interests.

This Corporate Governance Statement (**Statement**):

- Reports against the 3rd edition of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (**GDPR**) and the practices detailed in this statement are current as at 27 August 2019; and
- Has been approved by the Board and is available on Big River's website at [www.bigriverindustries.com.au](http://www.bigriverindustries.com.au) and is current as at 27 August 2019.

References to the Company website in this Statement is

<http://bigriverindustries.com.au/Investors/>

### **PRINCIPLE 1 – THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Role and Responsibilities of the Board**

The Board is accountable to the Company's shareholders and has overall responsibility for the performance of the Company, the execution of the Company's strategy, and the implementation of sound corporate governance policies and practices. The Company has adopted a Board Charter (which is available on the Company website) that formally sets out the functions and responsibilities of the Board. This enables the Board to perform its role more effectively and creates a system of checks and balances to provide a balance of authority.

#### ***Day to day management***

The Board appoints the Chief Executive Officer/Managing Director (**CEO/MD**), who oversees the day-to-day management of the business. The CEO/MD has been delegated the authority to manage the Group in accordance with the strategy, plans and policies approved by the Board. The delegation and the performance of the CEO/MD are reviewed by the Board from time to time.

Responsibilities specifically delegated to the CEO/MD are outlined in the Board Charter.

#### **Information regarding appointment and re-election of directors**

The composition, structure and proceedings of the Board are primarily governed by

the Constitution and the laws governing corporations in jurisdictions where Big River operates. The Constitution of the Company prescribes that there shall not be less than three directors and no more than twelve. As at the date of this Statement, there are four directors, three of whom are non-executive.

Big River undertakes appropriate due diligence in respect of prospective candidates before appointing a person, or proposing to its shareholders a candidate, as a director.

Prior to appointment, consideration was given to the required skillset of the Board and directors possessing the relevant skills. Appointments were made after a formal process of identifying various candidates, interviews and back-ground checks that covered the person's character, experience, employment history, qualifications, criminal history, bankruptcy and disqualification status.

Prior to the Company's annual general meetings, shareholders are provided with all material information to assist in making a decision to elect or re-elect a director. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules.

### **Agreements with directors and senior managers**

Big River has agreements with each director and senior manager, which outlines the terms of their appointment, including time commitment envisaged, required committee work, etc. Each Big River director has signed a letter of appointment and each Big River senior executive is employed under an employment agreement.

### **Accountability of the company secretary**

Big River's company secretaries have a direct reporting line to the Chairman and all directors have direct access to each joint company secretary, who is appointed by, and accountable to, the Board on all governance matters and the proper functioning of the Board. As at the date of this Statement, there are two joint company secretaries.

### **Big River Diversity Policy**

The Company has established a Diversity Policy, a copy of which is posted on its website. This policy supports the Company's commitment to promoting diversity within the Company and recognises the value of diversity in achieving the Company's corporate objectives and maximising value to shareholders. The policy further supports the Company's aims of promoting and implementing diversity strategies:

- (a) In its employment practices, to provide diversity in employees' experiences, perspectives, professional skills, gender, age, sexual orientation, ethnicity and cultural background; and
- (b) Across all components of the Company's business practices, including through its education programs, selection programs for consultants, mentoring programs and community and corporate social responsibility initiatives.

The policy states that the Board will adopt measureable objectives to assist the

Company to achieving gender diversity and the Board reviews the Company's progress in meeting these objectives from time to time.

On 30 June 2019, the proportion of women and men across the levels of Board, Senior Management and total employees were as follows:

- The proportion of female directors: 20%
- The proportion of female employees who are senior executives: 0.0%
- The proportion of female employees in the whole organisation: 13.5%

### **Evaluation of the performance of the Board, its Committees and individual Directors**

The Nomination and Remuneration Committee is charged with assisting and advising on the development and implementation of a process for evaluating the performance of the Board, its committees and directors. Under the Board Charter, the Chairman is responsible for establishing a process for overseeing the implementation of policies and systems for Board performance review and renewal.

### **Evaluation of the performance of the CEO, CFO and Senior Executives**

The Nomination and Remuneration Committee is responsible for recommending to the Board the performance criteria for the CEO/MD, CFO and the Senior Executives, communicating those criteria to the executives through the CEO/MD and for assessing their performance against those criteria at least annually.

This review process has been undertaken for the year ended 30 June 2019.

## **PRINCIPLE 2 – THE BOARD IS STRUCTURED TO ADD VALUE**

### Board Committees

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Board has established the following committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees is reviewed on an annual basis:

- Audit and Risk Committee – to protect the integrity of financial statements review and monitor the Company's risk management framework (further details of which are discussed under Principle 4, below); and
- Nomination and Remuneration Committee – to ensure that the Company remunerates fairly and responsibly, and assist the Board in nomination matters (further details of which are discussed below).

Each of these committees operate in accordance with specific charters approved by the Board which can be found on the Company's website.

The applicable composition requirements and current membership of each of the Board committees are set out below:

<b>Board Committee</b>	<b>Composition Recommendations</b>	<b>Membership</b>
Audit and Risk Committee	At least three members, all of whom are non-executive and a majority are to be independent. The Chair must be an independent non-executive director. The members collectively must have accounting and financial expertise and a sufficient understanding of the industry in which the Company operates.	Vicky Papachristos (Chair) Martin Kaplan Malcom Jackman
Nomination and Remuneration Committee	At least three members, the majority of whom are independent, non-executive directors. The chairman must be an independent – non-executive director.	Malcolm Jackman (Chair), Martin Kaplan and Vicky Papachristos

### **Nomination Committee**

Big River does not have a separate Nomination Committee, it has a Nomination and Remuneration Committee whose responsibilities include those related to nomination matters.

Under the Charter, nomination responsibilities include advising the Board on:

- Board succession planning generally;
- Induction and continuing professional development programs for directors;
- The development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- The process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- The appointment and re-election of directors;
- Recommending the remuneration policies of the Company and reviewing, and recommending to the Board, the remuneration of the CEO/MD, CFO and the Senior Executives; and



- Ensuring there are plans in place to manage the succession of the Chief Executive Officer and other senior executives, to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

### Board skills

In compiling the Board, the required combined skills and experience were duly considered. The Board considers that its directors and senior management have the requisite collective experience skillset to discharge their respective responsibilities.

The current composition of the Board of directors brings relevant experience and skills covering industry experience including strategic capabilities and commercial acumen, financial management, capital markets and corporate governance and compliance in listed entities, experience in human resource management including workplace culture, management development and succession, health and safety, diversity and remuneration and experience on the Boards of other listed entities.

The establishment of a skills matrix has not yet been undertaken, and the Board will consider whether to compile this in FY20.

### Director independence

At the date of this report, the Board comprises four directors as follows:

Director	Independent status	Appointment date
James Bindon	Managing Director (not considered independent)	19 February 2016
Malcolm Jackman	Chairman and Independent Non-Executive Director	19 February 2016
Martin Kaplan	Non-Executive Director (not considered independent)	18 December 2015
Vicky Papachristos	Independent Non-Executive Director	4 October 2017

There are three Non-Executive Directors, Malcolm Jackman, Vicky Papachristos and Martin Kaplan on the Board. The Board considers Mr Jackman and Ms Papachristos to be independent.

The rationale for independence is that they are non-executives, not substantial shareholders, conduct themselves at arms-length in their engagement with the

Company and bring their considerable skillsets to bear on matters before the Board. Their approach to Board matters is independent in appearance and fact.

In determining independence, the Board has regard to the guidelines of directors' independence in the CGPR. The Board does not consider Mr Kaplan as independent because he is associated with a substantial shareholder of the Company.

Mr James Bindon as the CEO and Managing Director, is a full-time executive of the Company. This Director is not considered independent by virtue of his position as an executive in the Company.

In addition, in order to facilitate independent judgement in decision-making, each Director has the right to seek independent professional advice at the Company's expense.

At present a majority of Directors are not considered independent. A recruitment procedure has commenced for a new director to compliment the Board's current skill set.

The Board regularly assesses whether or not each Non-Executive Director is independent. If a Director's independence status changes, this will be disclosed to the market in a timely manner.

Directors are required to keep the Board advised of any interest that may be in conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate, when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

The Company has also entered into a deed of disclosure with each Director which is designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in Big River securities. Directors and their nominated related party shareholdings are also monitored to identify changes that may require urgent disclosure.

The Board reviews the Director's Shareholding Register and Director's Interest Register periodically.

### **Chairman**

The Board Charter requires the Chairman of the Board to be appointed by the directors, must be an independent non-executive director and may not be the same person as the CEO/MD.

The Company's Chairman, Mr Malcolm Jackman is an Independent Non-Executive Director, and there is a clear division of responsibility between the Chairman and Managing Director.

### **Induction of new directors**

The following protocols are in place to ensure that the Board is able to perform appropriately and discharge its duties efficiently:

- New Directors are fully briefed on the business, its financial position, any material risks, the structure and functions of the Board and the structure of Management and are provided with a copy of the Company's Corporate Governance documentation. A director induction plan is in place to facilitate this.
- Directors are given direct access to Management and the Company Secretary. These individuals are to provide Directors with any and all information reasonably requested of them in a timely and comprehensive fashion;
- Directors are given the opportunity to seek reasonable independent, external advice at the Company's expense if circumstances warrant such advice; and
- The Company offers Directors an opportunity to undertake relevant external professional development programs where appropriate.

### **PRINCIPLE 3 – THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION MAKING.**

#### **Big River Code of Conduct**

The Big River Code of Conduct (the **Code**) outlines the standards of conduct expected of the business and its people, taking into account the Company's legal and other obligations to its stakeholders. The Code applies to the directors, officers, employees, contractors, consultants and other persons who act on behalf of the Company, and associates (as defined in the Corporations Act) of the Company.

The purpose of this Code is to:

- Outline the Company's commitment to strive to act honestly and with integrity in all its dealings; and
- To set out the values, commitments, ethical standards and policies of the Company and outline the standards of conduct expected of our business and people, taking into account the Company's legal and other obligations to its stakeholders.

A copy of the Code has been posted on the Company's website.

#### **Share trading**

The Company has adopted a Securities Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects Big River directors, officers, employees and contractors against the misuse of unpublished information that could materially affect the value of securities.

The Securities Trading Policy sets out restrictions that apply to dealing with securities and governs the ability of directors, employee or contractor shareholders and employees to trade in the Company's securities. Subject to necessary prior written consents being obtained, the Company's directors, officers, other key management personnel, employee or contractor shareholders (**Designated Persons**) cannot trade in the Company's securities at any time during the following prohibited periods:

- From the day after Big Rivers' half year end, being 1 January, to 4pm (Sydney Time) on the business day that Big Rivers' half yearly results are announced to the ASX;
- From the day after the financial year end, being 1 July, to 4pm (Sydney Time) on the business day Big Rivers' annual results are announced to the ASX;
- From 14 days before, to the close of trading on the business day of the Company's AGM; and
- During any extension to the above closed periods, and during any additional prohibited periods, as specified by the Board.

Designated Persons may, in exceptional circumstances as defined in the policy, trade in a prohibited period but only with the prior written consent of the Chairman (for Directors) and a Company Secretary (for other applicable employees). Notwithstanding the prohibited periods and approval requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Company that is not available in the public domain.

The policy also prohibits short term trading, margin lending, short selling and hedging of the Company's securities.

The Company's Securities Trading Policy can be viewed on the Company's website.

## **PRINCIPLE 4 – THE BOARD SAFEGUARDS INTEGRITY IN CORPORATE REPORTING**

### **Audit and Risk Committee**

An independent Audit and Risk Committee has been established by the Board to protect the integrity of financial reports as well as to monitor and review the effectiveness of the Company's structures in the areas of operational risk and legal and regulatory compliance.

#### *Role and responsibilities*

The Audit and Risk Committee operates in accordance with a Charter adopted by the Board. The Charter sets out the roles and responsibilities as well as the structure and composition of the Audit and Risk Committee. Pursuant to the Charter, which is available to view on the Company's website, the objectives of the Audit and Risk Committee are to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- (a) the integrity of the Company's financial reporting systems, internal and external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Company's external auditors;
- (c) the performance of the external audit functions and review of their audits;
- (d) the effectiveness of the Company's system of risk management and internal controls; and
- (e) the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

### Membership

The Board appoints the members of the Committee.

The Audit and Risk Committee's current membership and the independence of the members and details of Audit and Risk Committee meetings are set out earlier in this Statement.

The position of chair of the Committee is currently not held by an independent director given the size and composition of the Board. As previously disclosed, the Board is considering the appointment of another independent non-executive director that can potentially fulfil this role.

The qualifications and experience of the members of the Audit, Risk and Compliance Committee are outlined below:

**Vicky Papachristos (Chair of the Committee):** Vicky has been a Non-Executive Director of the Company since October 2017. She is an experienced Non-Executive Director and has been involved across various operational, strategic and creative roles with organisations including Shell, Westpac, Coventry and Myer.

Vicky is a Non-Executive Director and Chair of the Risk and Compliance Committee of GMHBA Limited, and a director of MyOwn Health. Vicky holds an Engineering degree from Monash University, an MBA from the Australian Graduate School of Management and is a member of the Australian Institute of Company Directors.

**Martin Kaplan:** Martin has been a Non-Executive Director of the Company since December 2015. Martin is currently an Investment Director of Anacacia Capital Pty Ltd, the management company of the Major Shareholder, Anacacia. Martin holds a Bachelor of Commerce degree from the University of Cape Town and is a Chartered Accountant (South Africa & Canada).

**Malcolm Jackman:** Malcolm has been an independent Non-Executive Director of the Company since February 2016. Malcolm Jackman was appointed as the Non- Executive Chairman of the Company on 31 July 2019.

Malcolm has also been a director of the Operating Company and Big River Group Holdings Pty Ltd since February 2016. Malcolm is a member of the Anacacia Capital

Business Advisory Council. Malcolm is a Non-Executive Director of Force Fire Pty Ltd and was formerly a Non-Executive Director of Rubicor Group Limited and Subzero Group Limited. He was also formerly a Managing Director of Elders Limited and Coates Hire Limited.

Malcolm has a Bachelor of Science in Pure Mathematics and a Bachelor of Commerce in Accounting from Auckland University. He is a fellow of the Australian Institute of Directors and a recipient of the Centenary of Federation Medal.

Audit and Risk Committee meetings are held regularly throughout the year as set out in the Directors Report included in the Financial Statements of the Company. The CEO/MD, CFO and Auditor are usually invited to attend Committee meetings. The Chairman of the Committee also meets periodically with the external auditors to discuss matters relevant to the Committee's responsibilities.

### **CEO/MD and Chief Financial Officer (CFO) assurance**

The Company has a requirement that the CEO/MD and CFO provide written assurance to the Board, prior to approval of the Company's financial statements for each financial period, that in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Big River's financial position and performance, and that this opinion has been formed on the basis of a sound system of risk management and internal control which operates effectively.

### **External auditor**

Big River's external auditor attends the Company's annual general meetings and is available to answer questions from Shareholders on the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by Big River in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit.

## **PRINCIPLE 5 – THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE**

### **Big River Disclosure and Communication Policy**

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring its shareholders are kept well-informed of all major developments affecting the Company's state of affairs, in order to promote transparency and investor confidence.

The Company has adopted a Disclosure and Communication Policy that incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3, as well as the revised ASX Listing Rules Guidance Note 8. This policy is available on the Company's website. The Disclosure Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, it:

- Explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of this information by the Board;
- Establishes processes for the disclosure of price sensitive information, taking into account ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media companies, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market; and
- Appoints the company secretary as the person responsible for communication with the ASX in relation to listing rule matters and for general administration of the policy.

## **PRINCIPLE 6 – THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS**

### **Information about Big River**

Big River provides information on its website about the Company. The website provides comprehensive information about the Company for its investors. There is information, obtained via the website, about the Company, its directors and management, its share price, recent ASX announcements, details of investor contacts and services and copies of the key governance charters and policies referred to in this Corporate Governance Statement.

### **Shareholder Communication and Investor Relations**

The Company is committed to maintaining direct, open and timely communications with all shareholders. The Board's policy is that shareholders are informed of all material developments that impact on the Company.

Information is communicated to shareholders through:

- The publication of the annual and interim financial reports;
- Disclosures to the ASX;
- Notices and explanatory memoranda of general meetings;
- Updates and announcements to inform shareholders of key matters of interest issued on a needs basis;
- Presentations to analysts (which are made available to all shareholders via the website); and
- The annual general meeting.

The Company has not developed a formal investor relations program. This may be considered in FY20.

### **Shareholder meetings**

Big River's annual general meeting are convened in October or November. In relation to its meetings of shareholders, an explanatory memorandum on the resolutions are included with the Notice of Meeting and unless specifically stated in the Notice of Meeting, all shareholders are encouraged to vote on all resolutions. A copy of any investor presentation is released to the ASX upon the commencement of the annual general meeting and the outcome of voting on resolutions at the meeting are released to the market after the conclusion of the meeting.

In the event that shareholders cannot attend formal meetings, they are able to lodge a proxy in accordance with the Corporations Act by mail or online.

### **Electronic communication with shareholders**

Big River's shareholders are able to receive communications from, and send electronic communications to, its security registry electronically.

The Company encourages stakeholders to make contact via the details provided under the 'investor Contacts' tab on the Company's website. Further, the share registry's contact details are also outlined in this section of the website.

Shareholders are encouraged to elect to receive communications, including the Annual Report, Notice of Meetings and other Company information, electronically from the share registry. This election can be made through the share registry.

## **PRINCIPLE 7 – THE BOARD RECOGNISES AND MANAGES RISK**

### **Audit and Risk Committee**

The Board is responsible for ensuring that sound risk management strategy and policies are in place. The Board has delegated to the Audit and Risk Committee the responsibility for identifying and overseeing major risks and the establishment and implementation of the risk management system.

All material risks affecting the Company, including both financial and non-financial matters, are reviewed and considered by the Audit and Risk Committee. All Directors and senior executives are encouraged to review the business for risk on an ongoing basis and to raise any risk issues of concern with members of the Audit and Risk Committee. These protocols form the basis for the risk management system.

This committee reviews and assesses the Company's risk management framework annually and review the implementation, management and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols and internal controls.

The Audit and Risk Committee's membership and the independence of the members are set out earlier in this Statement.

### **Management of risk**

The Company has controls at the Company and operating group levels that are



designed to safeguard the Company's interests and ensure the integrity of its reporting. These include accounting, financial reporting, tax risk management systems, safety, health and environment and other internal policies and procedures, which are directed at ensuring the Company fully complies with all regulatory requirements and community standards.

The Company's risk management framework is integrated with its day-to-day business processes and functional responsibilities. Risks are monitored and managed by management reporting to the Audit and Risk Management Committee on such matters.

The Audit and Risk Committee reviews the effectiveness of the risk management system on an ongoing basis. The Audit and Risk Committee is responsible for ensuring that the appropriate senior executives have established and implemented a risk management system throughout the organisation.

In addition to the above, the Company's external auditors provide the Audit and Risk Committee with a report detailing any identified risk items at the completion of each half-year and full-year review. The Audit and Risk Committee discuss the report together with the auditors and any material items are referred to the Board.

### **Internal audit**

The Company employs an internal audit resource that reviews internal controls during the course of each year. In addition, internal control reviews are undertaken by the CFO and the finance team each financial year with results reported to the Audit and Risk Committee.

### **Disclosure regarding material exposure to specific risks**

The Company is subject to risk factors that are both specific to its business activities and that are of a more general nature. Key risks facing the business were outlined in the Company's prospectus dated 24 March 2017 and have not materially changed.

The Company does not currently have any material exposure to environmental or social sustainability risks. Big River manages its risk exposure as disclosed above.

## **PRINCIPLE 8 – THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY**

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee's objective is to assist the Board fulfil its statutory fiduciary and regulatory role in relation to its remuneration and nomination responsibilities.

The Committee assists and advises the Board on remuneration policies and practices for the Board, the CEO, the chief financial officer, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company. The policies and practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and

employees who create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;

- (b) be fair and appropriate having regard to the size and performance of the Company and to the relevant director, executive or employee;
- (c) comply with relevant legal requirements; and
- (d) encourage the creation of an 'Employer of Choice' culture within the Company.

The Nomination and Remuneration Committee operates pursuant to a charter which can be found on the Company's website.

The Board appoints the members of the Committee. The Nomination and Remuneration Committee's membership and the independence of the members are set out earlier in this Corporate Governance Statement.

### **Remuneration policies**

The Company's Remuneration Policy is designed to ensure that the level and composition of remuneration is both competitive and reasonable. Total remuneration is connected to performance and is intended to be appropriate for the results delivered. The Company's policies are designed to attract and maintain talented and motivated employees as well as raising the level of performance of the Company.

Big River's remuneration policy is designed to attract, motivate and retain employees, and to ensure that the interests of the employees are aligned with those of the shareholders. In discharging its duties, the Committee reviews and makes recommendations to the Board on the remuneration of the CEO/MD, CFO, and the Senior Executives, including:

- Short and long-term remuneration, including both fixed remuneration and performance-based remuneration;
- Any termination payments; and
- Appropriate grants of securities under the Long Term Incentive Plan.

In making its recommendations the Committee aims to ensure that:

- Remuneration is set with reference to prevailing market rates for similar positions, adjusted to account for experience, productivity and ability;
- Remuneration packages are designed to motivate senior management to pursue the long-term growth and success of the Company: and
- A clear relationship exists between performance and remuneration.

### **Remuneration of non-executive Directors**

Non-executive Directors are remunerated by way of fees which are set with reference to the prevailing market rates. They do not participate in the schemes designed for the remuneration of executives, nor do they receive bonus payments or any retirement

benefits other than statutory superannuation.

*Equity-based remuneration*

The Company's members approved a long term incentive plan at the 2018 Annual General Meeting, which is summarised in the Annual Report.

***Approval of Corporate Governance Statement***

This Corporate Governance Statement was adopted by a resolution of the Board on 26 August 2019.