

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

NAMOI COTTON LIMITED

ABN/ARBN

76 010 485 588

Financial year ended:

28 FEBRUARY 2021

Our corporate governance statement¹ for the period above can be found at:²

X This URL on our website
<https://www.namoicotton.com.au/investors/governance/> where a link to the 2021 Corporate Governance Statement can be found

¹ “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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council’s recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity’s corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

The Corporate Governance Statement is accurate and up to date as at 8 June 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 8 June 2021

Name of authorised officer authorising lodgement: Andrew Metcalfe, Company Secretary

³ 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.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (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.	X and we have disclosed a copy of our board charter at: at https://www.namoi cotton.com.au/investors/governance/ . And at Item 1.1 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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 director or senior executive or putting someone forward 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.	X Item 1.2 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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.	X Item 1.3 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate-governance/charters/").

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	X Item 1.4 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	X and we have disclosed a copy of our diversity policy at: at https://www.namocotton.com.au/investors/governance/ and we have disclosed the information referred to in paragraph (c) at: Item 1.5 of the Company's Corporate Governance Statement [insert location] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>X</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....</p> <p>Item 1.6 of the Company's Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>Item 1.6 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>X</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....</p> <p>Item 1.7 of the Company's Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>Item 1.7 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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>X</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at</p> <p>at</p> <p>https://www.namoiocotton.com.au/investors/governance/.</p> <p>And at</p> <p>Item 2.1 of the Company's Corporate Governance Statement</p> <p>.....</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p>Item 2.1 of the Company's Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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 that the board currently has or is looking to achieve in its membership.</p>	<p>X</p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p>Item 2.2 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>X</p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>.....</p> <p>Item 2.3 of the Company's Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>.....</p> <p>Item 2.3 of the Company's Corporate Governance Statement</p> <p>and the length of service of each director at:</p> <p>.....</p> <p>Item 2.2 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>X set out in our Corporate Governance Statement</p> <p>Item 2.3 of the Company's Corporate Governance Statement</p>	<p>X set out in our Corporate Governance Statement</p> <p>OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	<p>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.</p>	<p>X set out in our Corporate Governance Statement</p> <p>Item 2.5 of the Company's Corporate Governance Statement</p>	<p>X set out in our Corporate Governance Statement</p> <p>OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	<p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>X</p> <p>Item 2.6 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	X and we have disclosed our values at: Item 3.1 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	X and we have disclosed our code of conduct at: Item 3.2 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	X and we have disclosed our whistleblower policy at: Item 3.3 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	X and we have disclosed our anti-bribery and corruption policy at: Item 3.4 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
<p>4.1</p>	<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>X</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at</p> <p>at</p> <p>https://www.namoi cotton.com.au/investors/governance/.</p> <p>And at</p> <p>Item 4.1 of the Company's Corporate Governance Statement</p> <p>.....</p> <p>Statement and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p>Item 4.1 of the Company's Corporate Governance Statement and in the Company's annual report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>4.2</p>	<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>X</p> <p>Item 4.2 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	X Item 4.3 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	X and we have disclosed our continuous disclosure compliance policy at: at https://www.namoi cotton.com.au/investors/governance/ .	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	X Item 5.2 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	X Item 5.3 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	X and we have disclosed information about us and our governance on our website at: at About Us Namoi Cotton	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	X Item 6.2 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	X and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Item 6.3 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	X Item 6.4 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	X Item 6.5 of the Company's Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
<p>7.1</p>	<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>X</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>at</p> <p>https://www.namoi cotton.com.au/investors/governance/.</p> <p>And at</p> <p>Item 7.1 of the Company’s Corporate Governance Statement</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p>Item 7.1 of the Company’s Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>7.2</p>	<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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>X</p> <p>and we have disclosed whether a review of the entity’s risk management framework was undertaken during the reporting period at:</p> <p>.....</p> <p>Item 7.2 of the Company’s Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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 governance, risk management and internal control processes.</p>	<p>X</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p>Item 7.3 of the Company's Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>X set out in our Corporate Governance Statement</p> <p>Item 7.4 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
<p>8.1</p>	<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>X</p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at</p> <p>at</p> <p>https://www.namoiocotton.com.au/investors/governance/.</p> <p>And at</p> <p>Item 8.1 of the Company's Corporate Governance Statement</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p>Item 8.1 of the Company's Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>8.2</p>	<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>X</p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>.....</p> <p>Item 8.2 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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>X</p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>.....</p> <p>Item 8.3 of the Company's Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed information about the processes in place at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p>X we do not have a director in this position and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
9.2	<p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p>X we are established in Australia and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
9.3	<p>A listed entity established outside Australia, and an externally managed 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>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p>X we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable</p>

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NAMOI COTTON LIMITED

CORPORATE GOVERNANCE STATEMENT

2021



NAMOI COTTON LIMITED
ABN 76 010 485 588

2021 Namoi Cotton Limited Corporate Governance Statement

Namoi Cotton Limited ('Namoi Cotton' or the 'Company') has adopted a program to review and improve its charters, policies and procedures periodically as required to ensure its corporate governance framework remains current and compliant with best corporate practice.

Namoi Cotton's corporate governance practices are outlined in this Corporate Governance Statement and addresses the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' – 4th Edition released in 2019 (referred to as 'ASX Principles or Recommendations'). Namoi Cotton has lodged with ASX the Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations) together with this Corporate Governance Statement and the Company's 2021 Annual Report.

The Namoi Cotton Charters and Policies for the Board and its current Board sub-committees referred to in this Corporate Governance Statement are available in the Corporate Governance section of Namoi Cotton's website at <https://www.namoicotton.com.au/investors/governance/> (collectively such policies are known as the "Corporate Governance Documents"). A copy of the 2021 Annual Report is also available on the Namoi Cotton website at [Investors | Namoi Cotton](#).

The 2021 Corporate Governance Statement is dated 8 June 2021 and covers the corporate governance practices and policies in place during the financial year ending 28 February 2021 and up to the date of this report. The 2021 Corporate Governance Statement was approved by the Board on 8 June 2021.

During the financial year ended 28 February 2021 and to the date of this report, the Board has undertaken a thorough review of its governance charters and policies to strengthen and enhance the company's governance platform. Namoi Cotton has monitored and updated the Company's risk management framework, including a review and identification of requisite Board skills, to ensure that the Company is in a strong and sustainable financial and operating position to achieve its strategic goals.

The Board Charter, Audit, Risk and Compliance Committee Charter, People and Culture Committee Charter, Trading and Operating Risk Committee Charter and Safety Committee Charter were all reviewed during calendar year 2021 to improve Board and committee governance standards to achieve a higher standard of accountability, transparency and reporting in the company, and also to address the 4th edition ASX Corporate Governance Principles and Recommendations. The various Board sub-committees are governed by their respective Charters which sets out the Committee's purpose, responsibilities, role, membership, meeting process, Board reporting obligations and assessment of performance.

The Board has taken a proactive approach to revising its governance policies and procedures to address the 4th edition ASX Corporate Governance Principles by initiating a review of its Code of Conduct, Securities Trading Policy, Anti-bribery and Corruption Policy, Disclosure and Communication Policy, Diversity Policy, and a company-wide review of internal policies and procedures. The Company's Whistleblower Policy addresses and complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019.

In September 2020 the Safety Committee was re-established as a sub-committee of the Board to consider and address safety issues as designated by the Safety Committee Charter. Previously the functions of the Safety Committee under its charter were addressed by the Board at all Board meetings. The Safety Committee is responsible for managing the environment and occupational health and safety risks and is committed to advancements of safety systems, protective equipment

and capital expenditure to mitigate environmental, occupational health and safety risks. Membership of the Safety Committee comprise of at least three (3) non-executive directors including an independent chairperson.

The Board sub-committees review matters designated within their respective Charters and make recommendations to the Board. The Board and sub-committee composition and attendance are set out in the Directors' Report within the 2021 Annual Report. The qualifications of Board and committee members and attendance at meetings is included in the Directors Report of the 2021 Annual Report.

Structure and Composition of the Board

The Namoi Cotton Constitution provides that the Board must comprise an even number of Directors that is not more than a maximum of 8.

Article 11.3 of the Namoi Cotton Constitution provides at all times one-half of the total number of Directors must be Grower Directors (the "Grower Director Representation Rule") for so long the Grower Directors Representation applies. The continuation of this rule will be considered by shareholders at the 2022 Annual General Meeting.

Article 12 of the Namoi Cotton Constitution sets out the requirements to be eligible for a Grower Director. A copy of the Namoi Cotton Constitution is available on the Namoi Cotton website at <https://www.namoicotton.com.au/investors/governance/>.

On publishing the 2021 Annual Report, the Non-Executive Directors on the Board who classified as being a Grower Director are Mr Tim Watson, Mr Glen Price and Mrs Juanita Hamparsum.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Roles and Responsibilities

The Board's main responsibilities and reserved decision-making parameters are set out in the Board Charter. The roles and responsibilities of the Board are defined in the Board Charter, and the respective Board sub-committee Charters (all of which are available on the Namoi Cotton website).

During the 2021 financial year the Board delegated day to day management, operation and administration of Namoi Cotton to the Chief Executive Officer, who has the authority to sub-delegate his duties to various members of the executive management team. The Board is responsible for reviewing the performance of the Chief Executive Officer.

Mr Michael Renehan was appointed Chief Executive Officer on 1 September 2019 until his resignation on 10 February 2021, at which time the Board appointed Mr John Stevenson to act as the Interim Acting CEO. Mr Stevenson was appointed to the position of CEO of Namoi Cotton on 7 June 2021 and remains in that role as at the date of this Corporate Governance Statement. Mr John Stevenson was appointed Chief Financial Officer on 30 March 2020 and will remain in that role until the Board secure a replacement CFO following the appointment of John to the position of CEO.

Recommendation 1.2 – Director selection

The process of the appointment and removal of Directors is governed by the Namoi Cotton Constitution.

The Board has a People and Culture Committee which has the responsibility for recommending to the Board candidates to be considered or nominated to act as a Director for the Board. Any recommendations are provided to the Board.

If a new Director is appointed by the Board as a casual vacancy or as an addition to the existing Directors during the year, then such appointee is required to stand for election by shareholders at the next Annual General Meeting.

In considering candidates for the selection, election and appointment to the Board, the People and Culture Committee and the Board assess a candidate's background, qualifications, industry experience and personal attributes. As part of this process and at regular intervals, the Board will conduct a skills assessment to ensure that Directors possess the appropriate skills, experience and attributes to govern the Company.

The Board undertakes appropriate checks before appointing a new Director including reference checks, criminal and bankruptcy checks, academic qualifications checks and Grower Director checks to ensure they meet the Grower Directors qualifications under the Namoi Cotton Constitution.

Following the resignation of Mr James Jackson in May 2020, a detailed search for a non-grower director was undertaken by the Board. Mr Ian Wilton was appointed to the position of Director on 17 June 2020 and was elected by shareholders at the Annual General Meeting held on 29 September 2020.

Recommendation 1.3 – Terms of Appointment

Namoi Cotton has written agreements with all Directors setting out the key terms and responsibilities of their appointment. Senior Executive employment contracts clearly state the terms of appointment and the expectations of the Company regarding performance including any performance-based incentives.

Recommendation 1.4 – Company Secretary

The Company Secretary has access to all Board members. The role of the Company Secretary is outlined in the Board Charter. The Company Secretary assists and advises the Board on governance and compliance matters.

Company Secretarial services are managed by Mr Andrew Metcalfe, an experienced independent Company secretary and governance consultant. Mr Metcalfe was appointed to the position on the 15 November 2019. Mr Metcalfe is well qualified for the position having been a Company secretary and governance advisor to ASX listed companies for over 20 years. Mr John Stevenson was appointed joint company secretary in August 2020.

Recommendation 1.5 – Diversity Policy

Diversity within Namoi Cotton is created by an inclusive working environment. Namoi Cotton has published its Diversity Policy on its website at <https://www.namoicotton.com.au/investors/governance/>, which promotes diversity of religion, race, ethnicity, gender, disabilities, age, cultural background, socio-economic background, sexual orientation, perspective, experience and other areas of difference.

In respect of the diversity strategy the Board and Management:

- promote diversity in the Namoi Cotton workplace.
- support equal opportunity in the recruitment, selection and promotion of employees from different backgrounds, knowledge, gender and experience. The Namoi Cotton recruitment process is structured to provide equality in recruitment and unbiased selection and promotion decisions.

The Diversity Policy includes measurable diversity objectives and the recruitment policy. The Board, in consultation with the People and Culture Committee, sets measurable objectives for achieving

diversity, in particular gender diversity. The intention is to achieve the objectives over time as employment positions become available.

Measurable diversity metrics include:

- representation of roles by age and gender for Management, Team Leaders and Board levels.
- gender salary comparison in same role and same level positions.
- gender representation in talent and succession planning; and
- setting diversity targets.

As at the date of this Corporate Governance Statement, 17.9% of Namoi Cotton's employees (prior year 17.1%) is made up of women employed across all sites and locations. Namoi Cotton is committed to a diversity strategy aimed to promote the appointment of qualified, experienced and diverse Directors, Management and Employees to achieve Namoi Cotton's objectives on diversity.

Namoi Cotton's Workplace Gender Equality Act public report for 2020 is available on its website at <https://www.namoicotton.com.au/investors/governance/>.

Recommendation 1.6 – Board and Committee Performance and Evaluation

The Board conducts annual evaluations of its performance and the performance of its Board sub-committees. The process of performance review enables the Board to identify areas for improvement. The Board performance evaluation, amongst other things, is based on Namoi Cotton's performance against long term objectives, the business plan and budgeted performance.

An external performance and evaluation of the Board and its Board sub-committees was undertaken in the reporting period. The report confirmed that the current Board have the appropriate mix of skill, experience and expertise to execute the Company's objectives and strategies.

Recommendation 1.7 – Senior Management Performance and Evaluation

Namoi Cotton's Corporate Governance Documents detail the procedures for performance review and evaluation. Senior Management are evaluated against individual performance and business measures on an ongoing basis. Namoi Cotton sets key performance indicators for its senior executives and performance is evaluated against these targets annually.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – People & Culture Committee

Namoi Cotton has established a People and Culture Committee to assist the Board in reviewing succession planning, remuneration policies and practices. The People and Culture Committee Charter sets out the Committee's responsibilities, structure, access to resources and information, meeting processes and performance evaluation. In addition, the Board has adopted a Remuneration Policy which is available on the Namoi Cotton website.

The primary function of the People and Culture Committee is to assist the Board in fulfilling its corporate governance responsibilities that:

- ensure the Company has the appropriate ethical standards and corporate governance policies and practices in place in order to protect and enhance shareholder returns.
- ensure, so far as possible, that policies are properly embedded within the Company's operations and that all who work for and with the Company embrace these policies and

standards as a normal and necessary element of managing the Company to maximise value for shareholders.

- establish appropriate remuneration levels and policies including incentive policies for senior executives; and
- identify and select appropriate individuals for nomination as members of the Board.

The Committee's Charter provides that the Committee meets at least twice per annum and its members comprise of at least three (3) non-executive directors including an independent chairperson.

Recommendation 2.2 – Skills of Directors

The Board composition requirements under the Namoi Cotton Constitution aims to achieve a mix of industry, finance, governance, trading, risk management, compliance, and strategy experience. The composition is reviewed annually by the Board with the qualifications and experience of each Director set out in the Directors Report of the 2021 Annual Report.

A Board Skills Analysis was undertaken during the 2021 reporting period and the following table sets out the mix of skills the Board currently has while providing guidance for expanding the skills base of Directors for the future needs of the Company.

Director background & experience	Director's Name
Industry	Tim Watson, Juanita Hamparsum, Glen Price, Robert Green
Accounting & Corporate Finance	Juanita Hamparsum, Joseph Di Leo, Ian Wilton
Capital Markets and trading	Robert Green, Juanita Hamparsum, Joseph Di Leo, Ian Wilton
Management & Leadership	Tim Watson, Juanita Hamparsum, Glen Price, Ian Wilton, Joseph Di Leo, Robert Green
Risk Management	Tim Watson, Juanita Hamparsum, Glen Price, Ian Wilton, Joseph Di Leo, Robert Green
Governance and compliance	Tim Watson, Joseph Di Leo, Ian Wilton, Juanita Hamparsum, Robert Green
Strategy	Tim Watson, Juanita Hamparsum, Glen Price, Ian Wilton, Joseph Di Leo, Robert Green

Article 11.3 of the Namoi Cotton Constitution requires the Board to be comprised of an equal number of Grower Directors and Non-Grower Directors ("**Grower Director Representation Rule**"). The Grower Director Representation Rule operates from the conversion of Namoi Cotton from a co-operative to a public company until at least the 2022 Annual General Meeting, when the Grower Director Representation Rule will be considered and voted on by shareholders by way of special resolution. If approved, the Grower Director Representation Rule will again be voted on at the 2027 Annual General Meeting and if approved, at any subsequent Annual General Meeting. If the Grower Director Representation Rule is not approved at any of these meetings by way of special resolution it will cease to apply.

The Grower Director Representation Rule will also cease to apply if Namoi Cotton's main undertaking ceases to be a cotton ginning business.

Eligibility criteria

As laid out in Article 12.2 of the Namoi Cotton Constitution, to be eligible as a Grower Director a person must (in summary):

- have ginned at least 1,500 cotton bales in aggregate per cotton season at a Namoi Cotton gin in at least three out of the last five cotton seasons; and
- have ginned:
 - (i) at least 50% of their seed cotton production at any Namoi Cotton gin in at least three out of the last five cotton seasons; or
 - (ii) at least 50% of their seed cotton production which is grown within 100 kilometres of any Namoi Cotton gin at a Namoi Cotton gin in at least three out of the last five cotton seasons; and
- is the registered owner or lessee (of a long-term lease) of cotton farming property which can plant a minimum of 150 hectares of seed cotton annually and is capable of producing 1,500 cotton bales in aggregate per cotton season to be ginned at a Namoi Cotton gin, or:
- be employed in a senior executive or senior managerial role by a client of Namoi Cotton who has, or which has a significant involvement in the Australian cotton industry (and have held that position for at least 5 years); and
- have had their nomination as a Grower Director unanimously approved by the Directors.

Exemptions and annual reviews of eligibility criteria

If a Grower Director ceases to satisfy any of the eligibility requirements set out above due to drought, flood or loss of crop due to hail or spray drift, then the Directors may, in their absolute discretion, provide an exemption for one cotton season for that Grower Director when applying the eligibility requirements. The Directors must also review the eligibility of each Grower Director by assessing and determining whether they continue to satisfy the eligibility requirements on an annual basis at least 3 months prior to each AGM. Grower Directors, Mr Tim Watson and Mrs Juanita Hamparsum, met the eligibility criteria. Mr Glen Price is retiring at the conclusion of the 2021 Annual General Meeting and therefore his eligibility was not assessed.

Board composition and length of service

The Board Charter states that directors have a maximum term of 12 years of continuous service, in addition to the retirement provisions contained in the Namoi Cotton Constitution and the ASX Listing Rules.

The Board composition, experience and skills is reviewed annually and as at the date of this Corporate Governance Statement comprises (6) Non-Executive Directors.

Name	Position	Appointment Date	Last Re-Election
Tim Watson	Chairman & Non-Executive Grower Director	17 December 2014	2020 AGM
Glen Price	Non-Executive Grower Director	22 July 2009	2018 AGM
Robert Green	Non-Executive Director	27 May 2013	2019 AGM
Juanita Hamparsum	Non-Executive Grower Director	7 June 2018	2018 AGM
Joseph Di Leo	Non-Executive Director	7 June 2018	2018 AGM
Ian Wilton	Non-Executive Director	17 June 2020	2020 AGM

Details of each Director including skills, experience and expertise are included in the 2021 Annual Report which is available on the Namoi Cotton website at [Investors | Namoi Cotton](#)

Recommendation 2.4 - Majority should be Independent Directors

The Board supports the principle that a majority of the Board should be independent. When determining the independent status of a Director, the Board considers whether the Director:

- is a substantial shareholder of Namoi Cotton or an officer of, or otherwise associated directly with, a substantial shareholder of Namoi Cotton,
- is employed, or has previously been employed in an executive capacity by Namoi Cotton or another member of the Namoi Cotton group, and there has not been a period of at least three years between ceasing such employment and serving on the Board,
- has within the last three years been a principal of a material professional adviser or a material consultant to Namoi Cotton or another member of the Namoi Cotton group, or an employee materially associated with the service provided,
- is a material supplier or customer of Namoi Cotton or another member of the Namoi Cotton group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with Namoi Cotton or another member of the Namoi Cotton group other than as a director.

The Board, when assessing materiality, considers a qualitative approach rather than setting quantitative thresholds. In accordance with the Namoi Cotton governance policies, a relationship will be assessed as “material” in context of the nature, circumstance and activities of Namoi Cotton and the Director’s activities or its affiliates’ activities.

The Board recognises the need to have a majority of independent Directors but additionally that Board members must add value to the Company. The Board further recognises the need for the Board to comprise Directors who have a strong understanding of the Namoi Cotton business and the cotton industry, however with the ability to bring independent views and judgement to Board decision making and deliberations.

The Board must have Grower Directors who are required to have business relationships with Namoi Cotton for the ginning of cotton. Additionally, the Grower Directors must have the skills, knowledge, qualifications and experience necessary to facilitate the proper functioning of the Board.

Each of Mr Watson, Mr Price and Mrs Hamparsum as Grower Directors, are cotton producers and sell cotton to Namoi Cotton and use the Company’s ginning services. The Board regularly assesses whether or not the nature and extent of those transactions would cause these Directors not to be considered independent. The Board is satisfied each of these Directors are independent as to the nature and magnitude of their dealings with Namoi Cotton as they do not cause the Board to consider that the relationship would materially interfere with their independence when exercising their judgment. Mr Watson, Mr Price and Mrs Hamparsum are capable of exercising independent judgement on all Board decisions.

Mr James Jackson, who resigned on 13 May 2020, is the Executive Chairman and major shareholder for Australian Rural Capital Limited (ARC) which until 10 February 2021 held a 9.61% interest in the issued ordinary shares of Namoi Cotton Limited before executing an in-specie distribution of Namoi Cotton ordinary shares to the ARC shareholders. Under the ASX Listing Rules, ARC was until that date regarded as a substantial shareholder for Namoi Cotton Limited.

Having considered Mr Jackson's relationship with ARC and the principle of independence referred to above, until his resignation on 13 May 2020 the Board did not consider Mr Jackson to be an independent Director having regard to ARC's significant shareholding in Namoi Cotton and Mr Jackson's executive role with ARC. However, during his tenure as a Director of Namoi Cotton, the Board considered that Mr Jackson's experience in the corporate sector, capital markets and extensive agricultural industry skill base was invaluable to Namoi Cotton in conducting and advancing its business activities and was confident that Mr Jackson exercised an independent judgment on all Board decisions.

Conflicts of Interest

Importantly, the Board has in place a process to ensure that conflicts of interest are managed.

The Code of Conduct provides that Directors must act in the best interests of the Company and must avoid participating in decisions and activities which may conflict, or be perceived to conflict, with their duties and responsibilities to Namoi Cotton.

The Directors must not enter into any arrangement or participate in any activity that would conflict with Namoi Cotton's best interests or would be likely to negatively affect Namoi Cotton's reputation.

If a potential conflict arises the Director must immediately advise the Board of the conflict of interest. If a potential conflict arises or is notified by the Director to the Board then the relevant Director with the conflict-of-interest issue must not participate in the discussion of the matter, receive Board papers on the matter and must leave the Board meeting whilst the matter is being considered. A review of Directors interest is made at every Board and sub-committee Meeting.

Recommendation 2.5 - Chairperson should be Independent and not CEO

The Board Charter provides that the Chairperson is an independent director and not the CEO. Mr Tim Watson is the Chairman and Non-Executive Grower Director.

Namoi Cotton acknowledges that a separation of roles between the chairperson and CEO is best practice corporate governance to minimise the possibility of a lack of transparency and promote constructive debate at Board level.

Recommendation 2.6 - Induction program for New Directors

Namoi Cotton has a program an induction process for new Directors. New and existing Directors are offered professional development opportunities and training internally and externally. Each Director may take independent legal advice at the expense of Namoi Cotton.

PRINCIPLE 3: INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1 – Company Values

The Company's core values and commitments are:

- (a) **Integrity** – We act honestly, fairly and with integrity in all our dealings, both internally and externally. We deal honestly and fairly with suppliers and customers. We commit to only dealing with business partners who demonstrate similar ethical and responsible business practices.
- (b) **Respect** – We respect the human rights of all people, their ideas and cultures and our words and actions must reflect this respect, treating fellow directors, senior executives and employees with respect and not engage in bullying, harassment or discrimination

- (c) **Safety** – We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of our employees, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.
- (d) **Community Standards** – We act in a manner that aims to preserve and protect the Company's reputation consistent with reasonable expectations of our investors and the broader community in which we operate, acting ethically and responsibly and complying with all laws and regulations that apply to the entity and its operations.
- (e) **Environment** – We are committed to act responsibly towards the environment and comply with legislation in respect of licenses held as part of the Company's operations.

Recommendation 3.2 – Code of Conduct

The Code of Conduct guides and applies to the Directors, the Chief Executive Officer, management, employees and third parties dealing with Namoi Cotton. The purpose of the Code of Conduct is to provide a framework for decisions and actions in relation to ethical and responsible conduct in employment. It underpins the Company's commitment to integrity and fair dealing, to act ethically, sustainably and responsibly in its business affairs, and to display and exercise a duty of care to all employees, clients and stakeholders. The Board has adopted the Code of Conduct and is committed to upholding the Company's core values and ensuring that all business affairs of Namoi Cotton must be conducted legally, ethically, honestly and with integrity, and which also sets out the conduct and behaviour expected for employees, consultants, contractors and business partners of Namoi Cotton. The Code of Conduct addresses Namoi Cotton's position on personal and professional behaviour, ethical standards and policies, conflicts of interest, anti-bribery and corruption, dealings with external parties, confidentiality, privacy, fair dealing, discrimination/bullying/harassment/vilification, health and safety, compliance with laws and regulations, responsibility to shareholders and the financial community. A copy of the Namoi Cotton Code of Conduct is available on the Namoi Cotton website at <https://www.namoicotton.com.au/investors/governance/>.

Recommendation 3.3 - Whistleblower Policy

Namoi Cotton has adopted a Whistleblower Protection Policy that complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019.

The Policy is underpinned by a strong commitment to building a culture in Namoi Cotton that reflects sound governance and promotes ethical behaviour in the detection and management of fraudulent, corrupt or improper conduct. The Whistleblower Protection Policy provides protection to whistleblowers by establishing a mechanism for concerns to be raised on a confidential basis without fear of intimidation or reprisal.

The Whistleblower Protection Policy applies to any individual who is either a current or former officer and director, employee, contractor, supplier, unpaid worker, or relative, dependent or spouse of any officer, employee, contractor and supplier, collectively, Employees and Stakeholders.

Whistleblowers perform a vital role in the community in exposing fraud, corruption and other misconduct, and whistleblowing ensures that corporate entities and organisations are held to account and operate within the confines of the law.

Employees and Stakeholders can raise any misconduct and unethical behaviour in relation to Namoi Cotton to the Chair of the Audit, Risk and Compliance Committee, or a person authorised by Namoi Cotton to receive disclosures that may qualify for protection (Whistleblower Protection Officer).

Employees and Stakeholders can also raise misconduct and unethical behaviour in relation to Namoi Cotton via a dedicated phone number and email address available to Employees and Stakeholders and can choose to remain anonymous to allay fear of retribution. A whistleblower cannot be subject to any civil, criminal or administrative liability (including disciplinary action) for making a protected disclosure. A whistleblower cannot be subjected to any detriment or a threat of detriment because they made, or are believed to have made, a protected disclosure.

A copy of the Whistleblower Protection Policy is available on the Namoi Cotton website at <https://www.namoicotton.com.au/investors/governance/>.

Recommendation 3.4 - Anti-bribery and Corruption Policy

Australia has strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to actions carried out in other countries (i.e. wide-reaching extra-territorial effect). You must comply with and uphold all laws against bribery, corruption and related conduct applying to the Company in all the jurisdictions where the Company operates.

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Accordingly, Namoi Cotton has a strict policy not to offer or receive secret commissions or bribes to further its business interests.

Namoi Cotton is committed to adopting effective systems to counter bribery and related improper conduct and to monitor and enforce these systems.

Share Trading Policy

The Board has adopted a Share Trading Policy which regulates dealing in Namoi Cotton securities by Designated Persons including Directors, Key Management Personnel, employees, contractors and consultants of Namoi Cotton and their related parties. Designated Persons must not deal in Namoi Cotton securities if they are in possession of price sensitive information which would, if the information were publicly known, be likely to have a material effect on the price or value of Namoi Cotton Securities; or influence persons who commonly invest in securities in deciding whether or not to deal in Namoi Cotton Securities. Under the Share Trading Policy, Designated Persons must not buy, sell or subscribe for Namoi Cotton securities except during permitted periods.

The Share Trading Policy provides that Designated may not deal in Namoi Cotton securities during the following periods:

- a) the period from the end of the Company's financial year (28 February, or 29 February in a leap year) until 48 hours after the announcement of the full year financial results for Namoi Cotton are received and announced to the general market by the ASX;
- b) the period from the end of the Company's half year (31 August) until 48 hours after the announcement of the half year financial results are received and announced to the general market by the ASX; and

- c) the period of 48 hours after the issue of any release to the ASX; and
- d) at any other time for a specified period as determined by the Board of Namoi Cotton.

A breach of the Share Trading Policy will be regarded by Namoi Cotton as serious misconduct which may lead to disciplinary action and/or dismissal.

A copy of the Share Trading Policy is available on the Namoi Cotton website at <https://www.namoicotton.com.au/investors/governance/>.

PRINCIPLE 4: SAFEGUARD INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 – Audit, Risk and Compliance Committee

The Board has established an Audit, Risk and Compliance Committee which is governed by the Audit, Risk and Compliance Committee Charter and whose primary responsibility is to oversee the audit functions of the Company and ensures risks are identified and managed.

The Charter sets out its authority, objectives, structure, responsibilities, membership, meeting protocols, access to company personnel and information, reporting requirements and performance evaluation.

The Committee's Charter provides that the Committee will meet at least four (4) times annually and additionally as required and its members comprise of at least three (3) non-executive directors including an independent chairperson. The qualifications of members of the Committee and attendance at meetings is included in the Directors Report of the 2021 Annual Report. All Committee members must be financially literate and at least one member of the Committee should have accounting or related financial management expertise and at least one member should have a detailed understanding of the industry in which Namoi Cotton operates.

During the 2021 financial year the Chief Executive Officer, Chief Financial Officer and senior management also attended Committee meetings.

The Committee's primary functions are to:

- Review the integrity of Namoi Cotton's financial information and systems, internal and external reporting.
- Review the internal controls, policies and procedures that Namoi Cotton uses to identify and manage business risks.
- Review the external Auditor's annual audit of the financial statements.
- Review and assess the external Auditors' activities, scope and independence.
- Review and assess the internal auditor's activities, scope and independence.
- Review the management process for the identification of significant business risks and exposures (including fraud), and review and assess the adequacy of management information and internal control structures.
- Obtain regular updates from management, matters that may have a material impact on the Company's activities.
- Communicate with specified external stakeholders with respect to its role. External stakeholders are current and potential external auditors and internal auditors as well as parties nominated by the Board.

- Communicate with Namoi Cotton's financiers and bankers with respect to ongoing financial facilities.
- Review any reports of misconduct made in accordance with the Company's Whistleblower Protection Policy.

The Audit, Risk and Compliance Committee receives updates from the Chief Executive Officer, Chief Financial Officer, management and the external Auditor.

Recommendation 4.2 - Financial Statement Confirmation

Prior to approving Namoi Cotton's 2021 Financial Statements (28 February 2021) the Board received from the Interim Acting CEO and the CFO a declaration that in their opinion the financial records of the entity had been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Namoi Cotton, and that the opinion had been formed on the basis of a sound system of risk management and control which is operating effectively.

Recommendation 4.3 - Integrity of Corporate Reports

Namoi Cotton's auditors review the Company's Half Year Report and Annual Report prior to publication. Apart from these documents, there are no other periodic Company reports. The Auditor's independence declaration forms part of the Directors' Report.

The external Auditor is invited to the Namoi Cotton Annual General Meeting to be available to answer questions from Shareholders.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Continuous Disclosure

The Board is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

Namoi Cotton's Disclosure and Communications Policy has been adopted to ensure:

- the promotion of investor confidence by ensuring that all investors have equal and timely access to material information concerning the Company, including material information about its financial position, performance, ownership and governance; and
- providing announcements that are accurate, balanced and expressed in a clear and objective manner.

Namoi Cotton's website contains copies of ASX releases covering such publications as market updates, annual and half yearly financial statements and material business updates. ASX announcements that are considered material and price sensitive are approved by the Board.

The Namoi Cotton Disclosure and Communications Policy establishes guidelines to facilitate compliance with the ASX Listing Rules by:

- identifying the requirements and types of information subject to disclosure under the ASX Listing Rules;
- providing quantitative and qualitative materiality guidance on whether information should be considered material;
- guidance on whether information is subject to the ASX Listing Rules Confidentiality Exception; and

- establishing procedures and processes for evaluating whether information is market sensitive which may require disclosure.

The Disclosure and Communications Policy is available on the Namoi Cotton website at <https://www.namoicotton.com.au/investors/governance/>.

Recommendation 5.2 - Market Announcements

The Board automatically receives a copy of market announcements immediately after release to ASX.

Recommendation 5.3 - Investor Presentations

Namoi Cotton releases a copy of any substantive investor presentation on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Information to Investors via Website

The Board and management are committed to Shareholders being informed and kept up to date with Namoi Cotton's activities. Namoi Cotton has established a Disclosure and Communication Policy which is available on the Namoi Cotton website. The Disclosure and Communication Policy requires communication with Shareholders in an open, balanced, timely manner in order for market participants to make informed decisions on Namoi Cotton. The Board is committed to improving Shareholder communication practices by adopting technological developments and regulatory changes.

Information on Namoi Cotton, as well as its governance policies and procedures, is available to investors on the Company's website at [About Us | Namoi Cotton](#)

Recommendation 6.2 - Investor Relations

All information released to the ASX is posted to the Namoi Cotton website at [Investors | Namoi Cotton](#). Namoi Cotton's Annual Report is issued to Shareholders who have requested one.

Recommendation 6.3 - Participation at Meetings

Shareholders are encouraged to participate in meetings via announcements issued to the ASX, information on the Company's website and by mailouts to all Shareholders prior to meeting of shareholders.

Notice of General Meetings are provided to Shareholders and posted on the Namoi Cotton website and Shareholders are encouraged to attend the Annual General Meeting. The Board is committed to enabling Shareholders to effectively participate in General Meetings by adopting ASX Corporate Governance Principles and Guidelines for improving Shareholder communication and participation.

Recommendation 6.4 - Substantive resolutions by Poll, not show of hands

Namoi Cotton Shareholders are given the opportunity to vote on all substantive resolutions at the Company's AGM or at a General Meeting by way of Poll. Notices of meeting are sent out in advance of the meeting with proxy voting forms attached.

Recommendation 6.5 - Communicating Electronically

The Company's website provides contact details for Shareholders to communicate with either the Company's Share Registry or Namoi Cotton directly at [Investors | Namoi Cotton](#). Shareholders are offered the option of receiving information electronically from Namoi Cotton via the Share Registry.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Risk Management

The Board recognises that risk management is a continuous and ongoing process. The Interim Acting CEO and CFO provided a written statement on the financial accounts to the Board that:

- Namoi Cotton's financial statements are prepared on the basis that there are appropriate internal controls and that there is sufficient compliance with their controls to ensure no material misstatement of Namoi Cotton's affairs and financial position; and
- Namoi Cotton's risk management and control systems are operating effectively in all material aspects.

The Interim Acting CEO and CFO has given the Board their declaration in accordance with section 295A of the Corporations Act 2001. The Interim Acting CEO and CFO confirmed that the declarations are founded on a sound system of risk management and internal control and also that the system is operating effectively in all material respects in relation to financial risks.

The Board has established the following sub-committees to review the integrity of Namoi Cotton's risk management systems:

- The Audit, Risk and Compliance Committee oversees the audit function as well as compliance with financial and risk management policies of the Company.
- The Trading and Operating Risk Committee reviews the integrity of Namoi Cotton's trading and operation risk limits and risk management systems; and
- The Safety Committee reviews workplace health, safety and environment risks identified as part of the risk register.

Recommendation 7.2 - Risk Management Framework

Namoi Cotton is committed to identifying and managing economic, environment, and social sustainability risks which may create material exposure for Namoi Cotton in the short, medium and long term.

Namoi Cotton has established policies for the management and governance of material business risks for Namoi Cotton. The risk management framework for Namoi Cotton covers:

- financial risk – risks associated with financial outcomes. These risks include market risk, credit risk, liquidity risk;
- trading risk – risks associated primarily with the trading and marketing of cotton lint and related commodities, including movements in commodity and currency markets;
- operational risk – risks associated with normal operations. These risks include project management, systems, fraud and day to day running risks; and
- regulatory and compliance risk – failure to comply with legislative requirements corporate and operational.

Namoi Cotton's board sub-committees are responsible for the following risk areas:

The Audit, Risk and Compliance Committee oversees the audit function as well as compliance with financial and risk management policies of the Company and is responsible for review and oversight of risk management policies and framework for Namoi Cotton and to make recommendations to the Board.

The Trading and Operating Risk Committee reviews the integrity of Namoi Cotton's trading operation risk limits and risk management systems, identifies and monitors the company's trading risk profile on a timely basis in addition to reviewing management of portfolio exposures.

The Safety Committee reviews workplace health, safety and environment risks identified as part of the risk register.

Namoi Cotton is primarily based in regional locations, the sustainability of these communities is important to Namoi Cotton. When possible, Namoi Cotton supports local communities and organisations. Namoi Cotton actively supports local regional schools, clubs, hospitals and emergency services.

Namoi Cotton is aware of the risk of water and water allocations for its clients and annually assesses the impact of water and water allocation risk internally and with external advisers.

Recommendation 7.3 - Internal Audit

Namoi Cotton does not have an internal audit function. The Board considers that due to the size of Namoi Cotton such function would not be cost effective however the Audit, Risk and Compliance Committee ensure internal policies and controls are in place and are being adhered to. The Board may engage an independent third party to undertake an internal audit if necessary, at any time.

Namoi Cotton management has implemented risk and internal control systems for assessing, monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The systems are based upon policies, guidelines, delegations and reporting as well as the selection and training of qualified personnel. The internal processes are reviewed by the Company's external auditors during their regular audits.

The Board believes the control framework of formal audits and Company policies and procedures is well suited to the current size, operations and stage of development of the business.

Recommendation 7.4 - Risk Exposure

The Namoi Cotton Alliance Joint Venture is a joint venture between Namcott Marketing Pty Ltd (51%), a wholly owned subsidiary of Namoi Cotton Limited, and Louis Dreyfus Company Melbourne JVP Pty Ltd (49%); a wholly owned subsidiary of Louis Dreyfus Asia Pte Ltd and is responsible for the warehouse, packaging and supply chain of cotton.

The newly formed Namoi Cotton Marketing Alliance is a joint venture between Namcott Marketing Pty Ltd (15%), a wholly owned subsidiary of Namoi Cotton Limited, and Louis Dreyfus Company Melbourne JVP Pty Ltd (85%); a wholly owned subsidiary of Louis Dreyfus Asia Pte Ltd and is responsible for the marketing of cotton lint and therefore has exposure to cotton markets.

The Namoi Cotton Marketing Alliance joint venture has potential exposure to a number of market and financial risks associated primarily with its cotton lint marketing business, which may include movements in commodity and currency markets.

Namoi Cotton has established a Trading and Operating Risk Committee which review and monitor these risk positions and provide guidance on these matters to the Namoi Cotton Board. The Namoi Cotton Marketing Alliance business comprises a Joint Venture Committee and Risk Management Committee to monitor and ensure that Namoi Cotton Marketing Alliance management is complying with the comprehensive Namoi Cotton Marketing Alliance Risk Management Policy. The risks governed by the Namoi Cotton Marketing Alliance Risk Management Policy include cotton price risk, cotton basis risk, cotton futures spread risk, foreign exchange risk, interest rate risk, credit risk, cotton grade risk and funding and liquidity risks. The Namoi Cotton Marketing Alliance Risk Management Committee and Namoi Cotton Marketing Alliance Joint Venture Committee, with

oversight provided by the Trading and Operating Risk Committee, monitor compliance with the Namoi Cotton Alliance Risk Management Policy from time to time to ensure risks are managed within the appropriate trading risk parameters.

The Audit, Risk and Compliance Committee reviews Namoi Cotton's risk management framework annually to satisfy themselves the framework continues to be sound. The Trading and Operating Risk Committee reviews risk relating to trading and operations. The Safety Committee considers and addresses safety issues and is specifically responsible for managing the environment and occupational health and safety risks of the Company.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - Remuneration Committee

Namoi Cotton has established a People and Culture Committee to assist the Board in reviewing Namoi Cotton remuneration policies and practices. In addition, the Board has adopted a Remuneration Policy which is available on the Namoi Cotton website.

The People and Culture Committee conducts an annual assessment of the performance of the Board, Committees, the Directors, the Chief Executive Officer and Executive General Managers.

It is the Board's responsibility to ensure that Namoi Cotton has the appropriate remuneration policies in place, which are designed to meet the needs of Namoi Cotton and enhance corporate and individual performance.

Recommendation 8.2 - Remuneration Policy

Namoi Cotton is committed to ensuring that remuneration packages for Directors and management are fair and reasonable.

Details of Namoi Cotton's remuneration policies are set out in the Remuneration Report of the 2021 Annual Report, which is available on the Namoi Cotton website.

Namoi Cotton may pay retirement benefits to Directors in accordance with the ASX Listing Rules and Corporations Act.

On 10 October 2017, Shareholders approved any Director serving two terms in office as of 10 October 2017 is entitled to a retirement benefit equivalent to two years' remuneration based on their remuneration for the 2017-2018 financial year. No other retirement benefits, other than statutory entitlements, are payable to Directors.

Senior Executive remuneration is reviewed on an annual basis. The People and Culture Committee may seek bench marking from external advisers to assist in Director or Senior Executive remuneration reviews.

Recommendation 8.3 - Equity Based Remuneration Scheme

Namoi Cotton has an Equity Based Remuneration Scheme in the form of a Performance Rights Plan which was approved by shareholders at the 2020 Annual General Meeting. A copy of the Performance Rights Plan is available upon request. Rights were issued to the previously appointed CEO, CFO and senior executives in December 2020. Rights issued to the previously appointed CEO were subsequently cancelled on his resignation in February 2021. Specific share price hurdles have been put in place for recipients to be eligible for rights when they vest.