



## FY2020 Corporate Governance Statement

Austin Engineering Limited

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Austin Engineering Limited (Austin), its Board of Directors and management are committed to conducting business in an ethical, fair and transparent manner in accordance with high standards of corporate governance. The Board, together with the management team, leads by example and our corporate governance framework is designed to foster a culture of compliance built around the Austin Core Values of:

- **Safety** – Safety is the cornerstone of Austin’s business and no work is ever too urgent or too important that we cannot take time to do it safely.
- **Integrity** – We conduct our business in accordance with the highest standards of professional behaviour and ethics.
- **Quality** – We always strive to excel and set higher benchmarks
- **Commitment** – We follow through with our promises.
- **Accountability** – We are responsible for our actions and results
- **Teamwork** – Together we make the difference.

Unless stated otherwise, all references are to the third edition of the ASX Recommendations. However, we note the release of the fourth edition of the ASX Recommendations on 27 February 2019. While these new recommendations do not come into effect for Austin until the first full financial year commencing 1 July 2020, we are pleased that we have aligned our corporate governance practices with the revised standards and will continue to develop and refine these to meet the needs of Austin.

Austin complies with all relevant ASX Recommendations, and this is set out in the Appendix 4G along with all of the corporate governance documents and policies referenced in this Corporate Governance Statement. These may be viewed at [www.austineng.com/corporate-governance](http://www.austineng.com/corporate-governance).

This Corporate Governance Statement is current as at 30 June 2020 and has been approved by the Austin Engineering Limited Board of Directors.

## Principle 1 Lay solid foundations for management and oversight

### Recommendation 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.

**COMPLIANT**

The Board is responsible for the overall corporate governance of Austin, including:

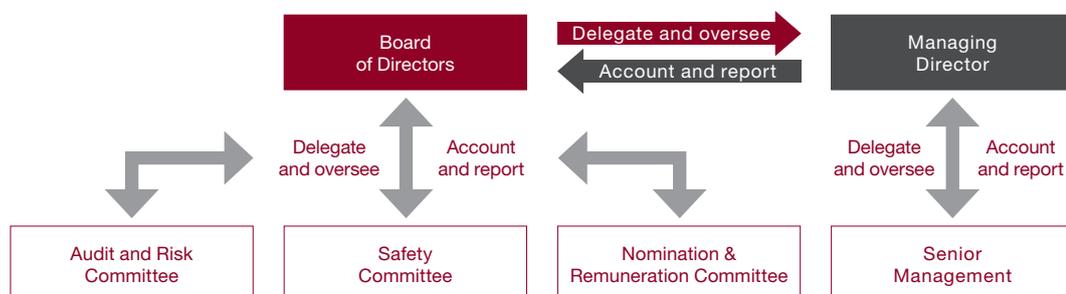
- monitoring its operational and financial position, performance and business strategy;
- maximising performance, generating appropriate levels of shareholder value and financial return and sustaining the growth and success of the Business;
- ensuring it is properly managed to protect and grow shareholder interests.



The Board has identified the key functions that it has reserved for itself and this has been set out in detail in the Board Charter available on Austin’s website.

The Board has established Committees to assist in carrying out its responsibilities and to review certain issues and functions in detail.

The responsibility for the implementation of Austin’s strategy and the day-to-day management and administration of Austin has been delegated to the Managing Director.



To guide management on the matters that are reserved for the Board and the matters that have been delegated to Management, the Board has established a Delegation of Authority that is reviewed and approved by the Board annually and more frequently as circumstances within Austin change.

### Recommendation 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.

COMPLIANT

The Board has established a Nomination & Remuneration Committee. The Nomination & Remuneration Committee's functions and powers are formalised in a Nomination & Remuneration Committee Charter, a copy of which is available on the Austin website.

The nomination-related functions of the Nomination & Remuneration Committee are to, where required:

- identify suitable candidates with appropriate skills, experience, expertise and diversity to complement the existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary skills and expertise on the Board;
- undertake appropriate checks on a candidate and seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director; and
- subject to the results of such checks and confirmations, make recommendations to the Board on their appointment.

Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.

The Company will provide information to shareholders about Directors seeking re-election at the annual general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.

Austin will, in the case of a candidate standing for election as a Director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement

on Board matters or to act in the best interests of Austin and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.

### Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

COMPLIANT

All Directors and senior executives have entered into written agreements with Austin.

Specifically, each Non-Executive Director has been given a letter of appointment which outlines terms including the Director's duties, obligations, remuneration, expected time commitments and notification of Austin's policies.

Similarly, senior executives have formal job descriptions and services agreements or employment agreements with Austin describing their term of office, duties, rights and responsibilities, and entitlements on termination.

### Recommendation 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.

COMPLIANT

The Company Secretaries are responsible for the day to day operations of the company secretary function, including the administration of Board and Committee meetings, overseeing the Company's relationship with its share registrar and lodgements with the ASX and other regulators.

The Company Secretaries are also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with Austin's Continuous Disclosure Policy. The Company Secretaries support the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas and briefing papers.

The Company Secretaries are accountable to the Board. The decision to appoint or remove the Company Secretaries is made or approved by the Board.

### Recommendation 1.5

A listed entity should:

- (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;
- (b) disclose that policy or a summary of it; and
- (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:
  - i. 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
  - ii. 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.

**COMPLIANT**

Austin values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity. Austin has developed a Diversity Policy that supports a workforce comprised of numerous ethnic backgrounds and genders, by ensuring diversification of talents, skills and values exist at all levels of the organisation.

Diversity within Austin is led by the Managing Director, with the support of the Board overseeing the strategy and plan initiatives and progress on diversity objectives.

Management is responsible for implementing initiatives throughout the businesses to achieve the Group's diversity objectives, and more generally to reinforce Austin's commitment to fostering an inclusive and supportive workplace in accordance with the principles outlined in the Diversity Policy.

Wherever possible, Austin seeks to preserve the local management and operations teams across all the areas and regions in which it operates and it actively encourages employees to integrate with team members in other parts of the organisation, through the sharing of technical and operational experiences and information.

A significant proportion of Austin's wider operations centre around medium to heavy engineering activities in workshop environments that require trade qualifications such as boiler making, welding and fabrication. Participating rates of women in these trades are low. Austin's policy is to provide opportunities for women wherever possible through internal promotion and external recruitment across all levels, but ensure that equal employment treatment is to be given without regard to gender.



#### Objectives

**FY2020** **FY2019**

Maintain current level of participation of women in operations (employees excluding those in finance and administration)	5.0%	4.7%
At least maintain current level of participation by women in corporate services (employees in finance and administration)	61%	44.9%

A copy of the Diversity Policy is available on Austin's website.

### Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

**COMPLIANT**

The Board at least every two years undertakes an external or internal evaluation of the board, its three committees and individual members, including an evaluation of the board skills matrix.

An evaluation was not undertaken during the financial year ended 30 June 2020, and an internal evaluation will be undertaken during the financial year ended 30 June 2021.

### Recommendation 1.7

A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

**COMPLIANT**

The Board, together with the Managing Director, evaluates the performance of Austin's senior executives annually. The Board also reviews the Managing Director's performance annually.

A performance evaluation of Austin's senior executives was undertaken during the financial year ended 30 June 2020 and the Managing Director reviewed the performance of Austin's senior executives including their performance goals and the extent to which those goals were achieved.

## Principle 2 Structure the board to add value

### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
- i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. 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
- (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.

**COMPLIANT**

The Nomination & Remuneration Committee has a formal Charter which sets out its role and responsibilities, composition, structure and membership requirements. The Nomination & Remuneration Committee consists of non-executive directors all of whom are independent directors; and is chaired by an independent director, Mr. Chris Indermaur.

The Committee's responsibilities include reviewing, advising and making recommendations to the Board on:

- Austin's remuneration framework
- identification and recommendation of suitable candidates for appointment to the Board;
- the Board skills matrix;
- succession planning policy and approach generally, and the succession plan for the Managing Director in particular;
- developing and implementing procedures for the Board's periodic evaluation of its performance and the endorsement of retiring Directors seeking re-election; and
- Board induction and the provision of appropriate training and development opportunities for Directors as required.

The Committee makes recommendations to the full Board on remuneration arrangements for the Managing Director and senior executives and, as appropriate, on other aspects arising from its functions.

Part of the role of the Nomination & Remuneration Committee is to advise the Board on the remuneration policies and practices for Austin generally and the remuneration arrangements for senior executives.

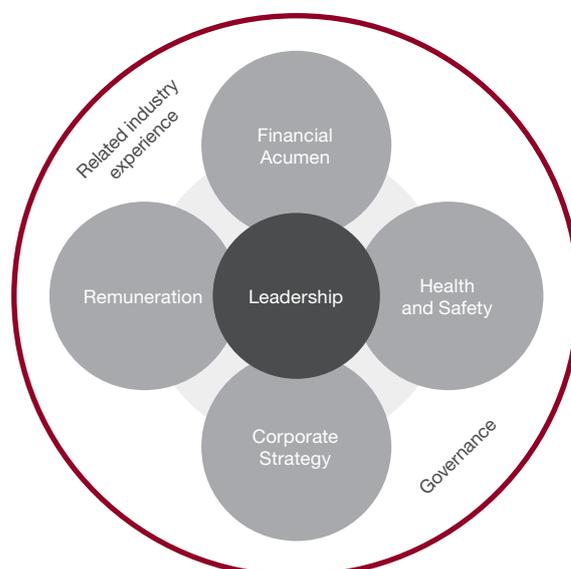
### Recommendation 2.2

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.

**COMPLIANT**

The Board utilises a skills matrix which is reviewed by the Nomination & Remuneration Committee on a regular basis to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity on the Board. It is an important, but not the only, basis of criteria applying to Board appointments. When the Board reviews the skills matrix, the Board looks to ensure that it covers the skills needed to address existing and emerging business and governance issues.

The Board has identified the following skills and experience comprised in the current Board, and that the Board will continue to maintain and build on.



### Recommendation 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 of the ASX Recommendations 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;
- (c) and the length of service of each director.

**COMPLIANT**

A Director is considered independent from Austin if he has no business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Board requires each Director to disclose any new information, matter or relationship that could, or could reasonably be perceived to, impact the Director's independence, as soon as these come to light. The Directors consider this matter during each Board meeting as a standing agenda item.

The Board considers that all of its non-executive Directors are independent Directors who have exercised their judgement and discharged their responsibilities in an independent manner.

The Board also has procedures in place to ensure it operates independently of management. Non-executive Directors meet together periodically in the absence of the executive Director and other senior managers of Austin, to discuss the operation of the Board and a range of other matters.

Name	Tenure in years			
	1	2	3	4
<b>Independent Directors</b>				
Jim Walker	█	█	█	█
Chris Indermaur	█	█	█	█
Sy van Dyk	█	█	█	
David Singleton	█			
<b>Executive Directors</b>				
Peter Forsyth	█	█	█	█

### Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

**COMPLIANT**



### Recommendation 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.

**COMPLIANT**

The chairman of the Board, Mr. Jim Walker is an independent director.

### Recommendation 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

**COMPLIANT**

Management, with the Board, provides an orientation program for new Directors. The program includes:

- briefings from executives and management, including detailed introductions to Austin's business and strategy implementation, history, culture, industry and key risks and opportunities;
- an introduction to Austin's regulatory environment (including legal duties and responsibilities of Austin Directors, and accounting matters where the Director requests additional background); and
- the provision of induction materials such as the Strategic Plan, governance charters and policies.

Austin also supports continuing education for Directors to continue to develop of their professional skills. This is considered regularly in light of emerging business and governance issues relevant to Austin.

The Board also receives appropriate briefings on material developments in laws, regulations and accounting standards relevant to Austin.

## Principle 3 Act ethically and responsibly

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### Recommendation 3.1

The board of 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

**COMPLIANT**

Austin's management guidelines include the Code of Conduct and other guidelines and policies which set out legal and ethical standards for all employees.

The Code and related guidelines and policies guide all employees as to the practices necessary to maintain confidence in Austin's integrity, and as to the responsibility and accountability of individuals for reporting, and investigating reports of unethical practices. The Code also guides compliance with legal and other obligations to stakeholders.

Employees are provided with training, on various platforms and in multiple languages on the expected standards of behaviour, Austin's Values and compliance with the Code of Conduct.

Compliance with the Code is monitored by senior management, and the Board is notified of material breaches. The Board reviews the Code regularly.

## Principle 4 Safeguard integrity in corporate reporting

### Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
  - i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - ii. is chaired by an independent director, who is not the chair of the board, and disclose:
  - iii. the charter of the committee;
  - iv. the relevant qualifications and experience of the members of the committee; and
  - v. 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
- (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

COMPLIANT

The Audit & Risk Committee has a formal Charter which sets out its role and responsibilities. The Audit & Risk Committee consists of non-executive directors all of whom are independent directors; and is chaired by an independent director, Mr. Sy van Dyk.

The Committee has the necessary qualifications and experience to discharge its responsibilities under its Charter. Its responsibilities include review and oversight of:

- the external reporting obligations to shareholders and the public;
- the integrity and quality of Austin's financial statements and disclosures as performed by external audit;
- the systems and processes that the Board and management have established to identify and manage areas of significant risk as well as the effectiveness of Austin's risk management and internal control framework; and
- the nature and extent of related party transactions.

The frequency and attendance to the Audit & Risk Committee is set out in the Annual Report.

### Recommendation 4.2

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.

COMPLIANT

The Managing Director and the Chief Financial Officer give a declaration to the Board, before the Board resolves that the Directors' Declaration accompanying the full year and half year financial statements be signed, that in their opinion, Austin's financial records have been properly maintained, and the financial reports comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Austin, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### Recommendation 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.

COMPLIANT

Austin's external auditor is BDO and attends the Annual General Meeting of the organisation.

## Principle 5 Make timely and balanced disclosure

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### Recommendation 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.

**COMPLIANT**

The Board has adopted a Continuous Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance, although employees of every level are bound by the Continuous Disclosure Policy.

The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of Austin's securities, and on ensuring that timely and accurate information is provided equally to all shareholders and market participants.

A copy of the Continuous Disclosure Policy is available on the Website.

## Principle 6 Respect the rights of security holders

### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

COMPLIANT

The 'investors centre' section of the Website is the primary medium of providing information to all shareholders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

The investors centre section of the Website contains information relevant to shareholders and stakeholders including:

- all announcements made to the market, including annual and half yearly reports;
- all corporate governance policies and charters adopted by the Board;
- information provided to analysts or media during briefings; and
- the full text of notices of meeting and explanatory material.

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

COMPLIANT

The Board is committed to facilitating effective two-way communication with its shareholders, investors and stakeholders, and has adopted a Shareholder Communications Policy to define and support this commitment. A copy of the Communications Policy is available on the Website.

The Shareholder Communications Policy sets out Austin's investor relations approach, namely by communicating with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings.

In particular, the Board intends to inform its shareholders of all major developments affecting Austin's state of affairs as follows:

- The annual report is distributed to all shareholders, including relevant information about the operations of Austin during the year and changes in the state of affairs;
- The half-yearly report to the ASX contains summarised financial information and a review of the operations of Austin during the period;
- All major announcement are lodged with the ASX, and posted on Austin's website

The Board encourage full participation of shareholders at the AGM to ensure a high level of accountability.

### Recommendation 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

COMPLIANT

Shareholders are encouraged to attend Austin's general meetings, and notice of such meetings will be given in accordance with Austin's Constitution, the Corporations Act, and the ASX Listing Rules.

Austin's Annual General Meeting in particular is an opportunity for shareholders to receive updates from the Managing Director and Chair on Austin's performance, ask questions of the Board and vote on the various resolutions affecting Austin's business. Shareholders are also given an opportunity at annual general meetings to ask questions of Austin's auditors regarding the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by Austin, and the independence of the auditor.

The date, time and location of Austin's general meetings will be provided in the notices of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged

to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.

### Recommendation 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.

COMPLIANT

Investors are able to communicate with Austin electronically by emailing [investorrelations@austineng.com.au](mailto:investorrelations@austineng.com.au)

Investors are also able to communicate with Austin's registry electronically by emailing the registry or via the registry's website. Austin encourages its shareholders to receive Austin information electronically by registering their email addresses online with Austin's share registry.

## Principle 7 Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
    - iii. the charter of the committee;
    - iv. the members of the committee; and
    - v. 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
- (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

**COMPLIANT**

The Board (through the Audit & Risk Committee) is responsible for satisfying itself that a sound system of risk oversight and management exists and that internal controls are effective.

In particular, the Board seeks assurance that:

- the principal strategic, operational, financial reporting and compliance risks are identified; and
- systems are in place to assess, manage, monitor and report on these risks and that these systems are rigorously tested to ensure that they are operating effectively at all stages of the risk management cycle.

The managers of Austin's businesses are responsible for identifying and managing risks. Under supervision of the Board, management is responsible for designing and implementing risk management and internal control systems to manage Austin's material business risks.

### Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

**COMPLIANT**

The Group operates various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation. The Board is responsible for overseeing the establishment of and approving risk management strategy, policies, procedures and systems of Austin. Austin's management team is responsible for establishing Austin's risk management framework.

The Board has delegated to the Audit & Risk Committee responsibility for reviewing and monitoring Austin's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

On at least an annual basis an organisation-wide risk management process with the business. Outcomes are shared with the Audit & Risk Committee and Management. The process is governed centrally through Austin's enterprise risk management standard and directed by policies and procedures within functional areas such as Finance, Occupational Health & Safety, Business Development and Marketing, Operations, Information Technology and Governance.

Austin's senior management has reported to the Board (through the Audit & Risk Committee) on the effectiveness of the management of the material business risks faced by Austin during FY2020. The Audit & Risk Committee has reviewed the risk management framework and is satisfied that it continues to be sound.

In addition, the Audit & Risk Committee is required, under its charter, to undertake a review of Austin's risk management framework with management at least once annually, to satisfy itself that it continues to be sound. A review of the risk management framework and risk register was undertaken during the Reporting Period.

### Recommendation 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

**COMPLIANT**

Austin did not have a dedicated internal audit function during the Reporting Period.

As set out in the Audit & Risk Committee Charter, the Committee has responsibility to ensure that Austin has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee is also responsible for overseeing investigations of breaches or potential breaches of these internal controls.

Austin's external auditors provide recommendations to the Board where internal control weaknesses have been identified.

The Audit & Risk Committee is responsible for overseeing the implementation of recommendations to improve internal control weaknesses made by Austin's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes.

### Recommendation 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.

**COMPLIANT**

The Group's operations are not subject to any significant environmental regulations under legislation in any of the geographies where we have operations. Whilst Austin has exposure to elements of risks relevant to the industry in which Austin operates, Austin does not consider, given the nature of its business, that it has any material exposure to economic, environmental and social sustainability risks.

## Principle 8 Remunerate fairly and responsibly

### Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. 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
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and not excessive composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate.

COMPLIANT

The Nomination & Remuneration Committee has a formal Charter which sets out its role and responsibilities, and consists of non-executive directors all of whom are independent directors; and is chaired by an independent director, Mr. Chris Indermaur.

The Committee has the necessary qualifications and experience to discharge its responsibilities under its Charter. The frequency and attendance to the Nomination & Remuneration Committee is set out in the Annual Report.

### Recommendation 8.2

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.

COMPLIANT

The evaluation encompasses a review of the structure and operation of the Board, the skills and characteristics required by the Board to maximise its effectiveness and whether the blending of skills, experience and expertise and the Board's practices and procedures are appropriate for the present and future needs of Austin.

An evaluation of the performance of the Board, its Committees and individual Directors took place in FY2020 and the Board formally reviews the performance of the Managing Director.

The criteria assessed are both qualitative and quantitative, and include profit performance, other financial measures, safety performance, financial and non-financial risk identification and management, and strategic actions.

Further details on the assessment criteria for Managing Director and senior executive remuneration (including equity-based plans) are set out in the Remuneration Report, which forms part of the Annual Report.

The performance of senior executives is reviewed annually against appropriate measures as part of Austin's performance management system, which is in place for all managers and staff. The system includes processes for the setting of objectives and the annual assessment of performance against strategic and operational objectives.

The Managing Director presents the outcomes of those reviews to the Board through the Nomination & Remuneration Committee. The Nomination & Remuneration Committee serves the Board in an advisory and investigative role.

### Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (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
- (b) disclose that policy or a summary of it.

COMPLIANT

Austin has adopted an Performance Rights Plan (Plan) to assist in the motivation, retention and reward of selected Austin employees. The Plan is designed to align the interests of eligible employees more closely with the interests of Austin and shareholders by providing an opportunity for eligible employees to receive an equity interest in Austin through the granting of performance rights.

A copy of the Plan is available on Austin's website.

Austin has adopted a Securities Trading Policy that governs the way in which Directors and Employees of the Group may trade in shares of the Company. Included within the plan are details of prohibitions on hedging, margin lending or speculative trading that may limit the economic risk related to participating in the Plan.

A copy of Austin's Securities Trading Policy is available on the Website.