

AUSTIN ENGINEERING LTD

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ABN 60 078 480 136

26 October 2020

Dear Shareholder,

Annual General Meeting – Notice and Proxy Form

Notice is hereby given that the Annual General Meeting (**Meeting**) of Shareholders of Austin Engineering Limited (ACN 078 480 136) (**Company**) will be held at Vibe Hotel Subiaco Perth, 9 Alvan Street, Subiaco WA 6008 on Friday, 27 November 2020 at 9:00am (AWST).

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions for physical gatherings. For shareholders that are unable to attend in person, you may listen to and watch the meeting via the following link www.austineng.net.au, however you will not be able to vote online.

In accordance with the temporary modification to the Corporations Act 2001 (Cth) under the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**NOM**) to shareholders. Instead, a copy of the NOM is available under <https://www.austineng.com/asx-announcements/>. However, we note that your personalized proxy form is provided with this communication.

If you have not elected to receive notices by email, a copy of your personalized proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Computershare Investor Services, by:

Post to: Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne VIC 3001

Proxy votes may also be lodged online using the following link www.investorvote.com.au.

Your proxy voting instructions must be received by 9:00am (AWST) on Wednesday, 25 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.austineng.com.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial advisor, lawyer, accountant or other professional adviser. If you have difficulties obtaining a copy of the NOM, please contact the Company's share registry, Computershare, on 1300 552 270 (within Australia) or +61 3 9415 4000 (overseas).

Yours sincerely,



Sophie Raven
Company Secretary



Austin Engineering Limited

ACN 078 480 136

Notice of Annual General Meeting

To be held at

Date: Friday, 27 November 2020

Time: 9:00am (AWST)

**Place: Vibe Hotel Subiaco Perth
9 Alvan Street
Subiaco WA 6008**

This is an important document and requires your attention.

This document should be read in its entirety.

If you are in any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Austin Engineering Limited ACN 078 480 136 (the **Company**) will be held at 9:00am (AWST) Friday 27 November 2020 at Vibe Hotel Subiaco Perth, 9 Alvan Street, Subiaco WA 6008.

Agenda

Financial Statements and reports

To receive and consider the financial statements and the reports of the Directors and the Auditor for the financial year ended 30 June 2020.

Resolution 1 – Re-election of Mr Jim Walker as Non-executive Director

To consider, and if thought fit, pass the following as an ordinary resolution:

'To re-elect Mr Jim Walker, in accordance with rule 3.6 of the Company's constitution, who retires with effect from the end of the Annual General Meeting in accordance with the Company's constitution and the ASX Listing Rules and, being eligible, offers himself for re-election.'

Resolution 2 – Re-election of Mr Sybrandt Van Dyk as Non-executive Director

To consider, and if thought fit, pass the following as an ordinary resolution:

'To re-elect Mr Sybrandt Van Dyk, in accordance with rule 3.6 of the Company's constitution, who retires with effect from the end of the Annual General Meeting in accordance with the Company's constitution and the ASX Listing Rules and, being eligible, offers himself for re-election.'

Resolution 3 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution under section 250R(2) of the Corporations Act:

'That the Remuneration Report for the year ended 30 June 2020 be and is hereby adopted.'

Notes:

- (1) The vote on this resolution is advisory only and does not bind the Directors or the Company.*
- (2) If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than a Managing Director) must stand for re-election.*

A voting exclusion statement applies to this item of business (see below).

Resolution 4 – Approval for grant of performance rights to Mr Peter Forsyth, Managing Director

To consider, and if thought fit, pass the following as an ordinary resolution:

'That for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 3,683,333 Performance Rights and the issue or transfer of Shares on vesting to Mr Peter Forsyth, in accordance with the terms and conditions of the Company's Performance Rights Plan and as described in the Explanatory Memorandum accompanying this Notice of Meeting.'

A voting exclusion statement applies to this item of business (see below).

VOTING EXCLUSION STATEMENTS

The resolutions above are subject to the following voting exclusions.

Resolution 3 (Adoption of Remuneration Report)

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a member of the Company's Key Management Personnel (**KMP**) named in the Company's 2020 Remuneration Report or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the Company's KMP at the date of the AGM or a closely related party of such a member.

However, votes will not be disregarded if they are cast by:

- a person as proxy for a person entitled to vote on Resolution 3, in accordance with a direction as to how to vote in the proxy appointment; or
- the Chairman of the Meeting under an express authorisation in the proxy appointment to exercise the proxy even though Resolution 3 is connected with the remuneration of the KMP.

Resolution 4 (Approval for grant of performance rights to Mr Peter Forsyth, Managing Director)

The Company will disregard any votes on Resolution 4:

- cast in favour of that resolution by or on behalf of Peter Forsyth or any of his associates, regardless of the capacity in which the vote is cast; and
- cast as a proxy by a member of the Company's KMP at the date of the AGM or an associate or closely related party of such a member.

However, votes will not be disregarded if they are cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person entitled to vote on Resolution 4, in accordance with directions given to the proxy (in the proxy appointment) or attorney to vote on Resolution 4 in that way; or
- the Chairman of the Meeting as proxy or attorney for a person entitled to vote on Resolution 4, in accordance with a direction given to the Chairman of the Meeting to vote on Resolution 4 as the Chairman of the Meeting decides and, if acting as proxy, under an express authorisation in the proxy appointment to exercise the proxy even though Resolution 4 is connected with the remuneration of a member of the Company's KMP; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

Please refer below to the important information about the appointment of proxies in relation to the above resolutions.

To consider any other business as may be lawfully put forward in accordance with the constitution.

Specific comments relating to the resolutions are set out in the Explanatory Memorandum.

Dated: 23 October 2020

By order of the Board

A handwritten signature in black ink that reads "Sophie Raven". The signature is written in a cursive, flowing style.

**Sophie Raven
Joint Company Secretary**

Notes

1. The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Share register at 7.00pm (Brisbane time) on Wednesday, 25 November 2020. Accordingly, those persons are entitled to attend and vote at the meeting.
2. If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
3. To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
4. A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
5. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
6. The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
7. To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting:
 - a. at its registered office at Kings Row 1, Level G, 52 McDougall Street Milton Qld 4064;
 - b. by facsimile to its registered office on fax number +61 7 3271 3689; or
 - c. at its share registry, Computershare Investor Services:
GPO Box 242
Melbourne VIC 3001
or fax number (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555.
8. Any proxy form received after this deadline including at the meeting will be treated as invalid.
9. A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - a. The proxy holds a Directed Proxy Form;
 - b. Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
 - c. The proxy is required by law or the Company's constitution to vote in a certain manner or abstain from voting.
10. Paragraph 9b. does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
11. If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy Form in accordance with his intentions set out below.
12. The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions including Remuneration Resolutions.

13. The following definitions apply in this document:

- a. **ASX** means ASX Limited ACN 008 624 691 or the securities exchange it operates, as the context requires.
- b. **Closely Related Party** means the closely related parties of Key Management Personnel as defined in the Corporations Act, and includes certain members of their family, dependants and companies they control.
- c. **Company** means Austin Engineering Limited ACN 078 480 136.
- d. **Corporations Act** means the *Corporations Act 2001* (Cth).
- e. **Directed Proxy Form** means a proxy form which specifies how the proxy is to vote.
- f. **Directors** means the directors of the Company from time to time (each a **Director**).
- g. **Key Management Personnel** of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The remuneration report (as set out in the Directors' Report included in the Company's 2020 Annual Report) (**Remuneration Report**) identifies the Company's Key Management Personnel for the financial year to 30 June 2020.
- h. **Listing Rules** means the Listing Rules of the ASX.
- i. **Performance Period** has the meaning given in the Explanatory Memorandum accompanying this document.
- j. **Performance Rights Plan** means the Company's Performance Rights Plan adopted by the board on 20 December 2013 as amended.
- k. **Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolutions 3 and 4 in this Notice of Meeting.
- l. **Share** means a fully paid ordinary share in the capital of the Company.
- m. **Undirected Proxy Form** means a proxy form that does not specify how the proxy is to vote.
- n. **Vesting Conditions** are the conditions that must be satisfied for a right to vest and entitle the holder to the value of a Share (which may be satisfied either in cash and/or in Shares).

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held at 9:00am (AWST) Friday 27 November 2020 at Vibe Hotel Subiaco Perth, 9 Alvan Street, Subiaco WA 6008.

The Explanatory Memorandum should be read with, and forms part of, the accompanying Notice of Annual General Meeting.

Financial Statements and Reports

As required by law, the financial report, Directors' report and Auditor's report are laid before the Annual General Meeting. Members will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports. Members will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and content of the Auditor's report. There is no requirement however for members to approve the reports.

Resolutions 1 and 2 – Background

ASX Listing Rule 14.5 and rule 3.6 of the Company's constitution requires the Company to hold an election of Directors each year.

In accordance with rule 3.6 of the Company's constitution, Mr Walker and Mr Van Dyk, who were last re-elected on 23 November 2018, would be in office for more than three years should they remain in office until the Company's 2021 Annual General Meeting. Accordingly, they will therefore retire and submit themselves for re-election by shareholders as Non-executive Directors of the Company.

Profiles for Mr Walker and Mr Van Dyk follow.

The Board regularly reviews the independence of each Non-executive Director and undertakes an annual review in accordance with the ASX Corporate Governance Principles and Recommendations, the Corporations Act and the Board Charter. The Board considers all of the current Non-executive Directors to be independent, including each of the Directors seeking election.

Resolution 1 – Re-election of Mr Jim Walker as Non-executive Director

Mr Jim Walker is the Chairman of the Company. Jim has over 45 years of experience in the resources sector. He is currently Non-Executive Chairman of Australian Potash, Chairman of the Western Australia State Training Board, Non-Executive Chairman of the Mader Group and Deputy Chairman RAC Holdings (WA). Jim was formerly Non-Executive Chairman of Macmahon Holdings Limited, Managing Director and Chief Executive Officer of WesTrac Pty Limited. He was formerly National President of the Australian Institute of Management (AIM) and is a graduate member of the Australian Institute of Company Directors (AICD) and AIM Western Australia. Jim's focus on apprentices and training was recognised when he was awarded the GJ Stokes Memorial Award at Diggers & Dealers in August 2014.

Qualifications:	GACID, FAIM
Special responsibilities:	Member of the Audit and Risk Committee, Member of the Safety Committee, Member of the Nomination and Remuneration Committee
Directorships held in other listed entities:	Australian Potash Limited from 15 August 2018 Mader Group Limited from 1 January 2019

The Directors (with Mr Walker abstaining) recommend that shareholders vote in favour of this Resolution.

Resolution 2 – Election of Mr Sybrandt Van Dyk as Non-executive Director

Mr Sybrandt (Sy) van Dyk was appointed as Non-Executive Director of the Company in March 2018. Sy holds a Bachelor of Commerce (Honours) from the University of South Africa and is a member of the Institute of Chartered Accountants Australia. A Chartered Accountant by profession, Sy has more than 25 years' sales, operational and financial experience, primarily within the resource sector. He has held roles as Chief Executive Officer and Managing Director at Macmahon Holdings and a number of senior operational roles at the WesTrac Group. Prior to WesTrac, Sy's career included a number of senior positions within Kimberly-Clark South Africa.

Qualifications:	Bachelor of Commerce (Hons), University of South Africa, Member of Institute of Chartered Accountants Australia
Special responsibilities:	Chair of the Audit and Risk Committee, Member of the Nomination and Remuneration Committee, Member of the Safety Committee
Directorships held in other listed entities:	None

The Directors (with Mr Van Dyk abstaining) recommend that shareholders vote in favour of this Resolution.

Resolution 3 – Adoption of the Remuneration Report

The Corporations Act requires that a resolution be put to the members to adopt the Remuneration Report as disclosed in the Directors' report contained in the Company's 2020 Annual Report. The resolution gives the members the opportunity to ask questions or make comments concerning the Remuneration Report during the meeting.

The remuneration report:

- Discusses the Company's policy on remuneration of Key Management Personnel and the link between remuneration and the Company's performance; and
- Details the remuneration arrangements in place for each Key Management Personnel.

Under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Company or its Directors. Although the vote is advisory, the Directors recognise this vote as an indication of shareholder sentiment and have careful regard to the outcome of the vote and any discussion when setting the Company's remuneration policies.

The Corporations Act states that if 25% of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs then shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must be considered for re-election.

Key Management Personnel and their Closely Related Parties are excluded from voting on this resolution in certain circumstances – please see the notes to Resolution 3.

The Chairman of the meeting intends to vote all Undirected Proxy Forms in favour of this resolution.

Noting that each current Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, and that each of them (and their Closely Related Parties) would be excluded from voting on the Resolution, the Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

In accordance with section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company.

Resolution 4 – Background

i. Remuneration of Mr Peter Forsyth

Mr Peter Forsyth's remuneration package for the year ended 30 June 2020 (as detailed in the Company's 2020 Annual Report) comprised:

Cash Salary \$	Cash Bonus \$	Superannuation \$	Long Term Benefits Leave \$	Performance Rights \$	Total \$
502,800	-	25,000	-	197,391	725,191

Resolution 4 – Approval for grant of performance rights to Mr Peter Forsyth, Managing Director

i. Proposed grant of performance rights

Listing Rule 10.14 provides that a listed company must not permit a Director to acquire securities under an employee incentive scheme without shareholder approval. Accordingly, approval is sought under Listing Rule 10.14 for the proposed grant of 3,683,333 Performance Rights to Mr Peter Forsyth as part of a broader executive incentive program under the Company's Performance Rights Plan. Where approval for the issue of securities is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights are proposed to be granted on the terms and conditions of the Company's Performance Rights Plan and are being used in accordance with the Performance Rights Plan instead of directly issuing Mr Forsyth Shares in the Company to ensure that the vesting and performance conditions below are satisfied prior to Mr Forsyth receiving the corresponding Shares.

A summary of the material terms of the Performance Rights Plan is set out in Annexure A to this Notice of Meeting.

Words and expressions used in this section have the same meaning as those words and expressions in the Plan Rules except as otherwise defined in this Explanatory Memorandum.

ii. Information required by Listing Rules

Listing Rule 10.15 requires certain information to be given to shareholders for the purposes of approval under Listing Rule 10.14. This information is supplied throughout the background to Resolution 4 including as set out below.

Name	Peter Forsyth
Category of Person	Director of the Company
Total Remuneration Package	As above
Details of proposed issue	
Maximum number of Performance Rights to be approved under Resolution 4	3,683,333 Performance Rights
Issue price	Nil
Valuation	The maximum number of Performance Rights has been determined based on 100% of Peter Forsyth's total fixed remuneration package divided by the 30 day volume weighted average price up to and including 30 June 2020 of 14.4 cents (being $\$530,400/0.144 = 3,683,333.33$). The number of Performance Rights that will ultimately vest will be determined in accordance with the terms of the Company's Performance Rights Plan and the conditions outlined below.

	The valuation of the Performance Rights will be carried out externally in accordance with usual practice by PricewaterhouseCoopers using usual value metrics such as the share price at the grant date, the estimated volatility and the risk-free interest rate.
Names of any persons referred to in Listing Rule 10.14 entitled to participate in the Performance Rights Plan	Peter Forsyth
Date by which the Performance Rights will be granted	If approved, the Performance Rights are expected to be granted on or about 2 December 2020 and the Shares issued no later than 3 years after the date of the meeting.
Terms of loan in relation to the grant of Performance Rights	Not Applicable
Required statements	<p>Details of any securities issued under the employee incentive scheme will be published in each annual report relating to a period in which securities have been issued, along with a statement that approval for the issue of securities was obtained under Listing Rule 10.14.</p> <p>Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under Listing Rule 10.14.</p>
Details of previous issues	
Securities issued to persons under Listing Rule 10.14 since the last shareholder approval	<p>A total of 12,351,935 Performance Rights, including 3,151,515 to Peter Forsyth (as approved by shareholders on 22 November 2019), 6,776,178 to senior leaders and a further 2,424,242 to employees for succession planning and key skilled staff. The rights issued to Peter Forsyth and senior leaders were based on certain performance hurdles as disclosed in the 2020 Annual Report and on continued employment with the Company. The rights assigned to succession planning and key skilled staff were based solely on continued employment with the Company. All performance rights have a \$Nil acquisition price.</p> <p>At the date of this Notice of Meeting, the Company has 16,268,800 Performance Rights on issue.</p>
Other commercial considerations	
Performance Period	1 July 2020 – 30 June 2023
Expiry Dates	5 years after the grant of Performance Rights

(a) **Vesting Conditions**

- Performances conditions as outlined below.
- In order for the Performance Rights to vest, Mr Forsyth must remain employed by the Company during the Performance Period (except in the case of death, disablement etc) and the Vesting Conditions must be satisfied.

(b) **Performance conditions**

- 50% of the Performance Rights will vest on meeting Total Shareholder Return (**TSR**) target (**TSR Performance Rights**); and
- 50% of the Performance Rights will vest on meeting Earnings Per Share (**EPS**) growth target (**EPS Performance Rights**)

(i) **TSR performance criteria**

50% of the Performance Rights granted to Mr Forsyth are subject to a TSR performance condition (as described below) over the respective Performance Period. The Performance Rights will vest as follows:

TSR Performance (annually over a 3-year period)	% of Performance Rights assessed under TSR Performance Condition to vest
Less than 15% CAGR* in TSR	0%
15% CAGR* in TSR	50%
CAGR* between 15% and 25% in TSR	50% + straight line increase in % awarded until 25% is achieved
At 25% CAGR* in TSR	100%

* CAGR (Compound Annual Growth Rate)

TSR will be calculated by the Board as the difference in Share price over the Performance Period, plus the value of Shares earned from notionally reinvesting dividends received over this period, expressed as a percentage of Share price at the beginning of the Performance Period.

TSR will be determined on the following basis:

- A. Dividends are re-invested on the ex-dividend date;
- B. Share prices are calculated as the volume weighted average sale price of Shares on the ASX for the 30 days preceding the start of the Performance Period and the 30 days up to and including the end of the Performance Period;
- C. Tax and any franking credits (or similar) will be ignored; and
- D. The board has the discretion to disregard any abnormal, non-recurring or one-off items.

(ii) **EPS performance criteria**

50% of the Performance Rights granted to Mr Forsyth are subject to an EPS performance condition (as described below) over the respective Performance Period. The Performance Rights will vest as follows:

EPS Performance (annually over a 3-year period)	% of Performance Rights assessed under EPS performance condition to vest
Less than 15% CAGR* in EPS	0%
15% CAGR* in EPS	50%
CAGR* between 15% and 25% in EPS	50% + straight line increase in % awarded until 25% is achieved
At 25% CAGR* in EPS	100%

* CAGR (Compound Annual Growth Rate)

EPS will be determined by the Board in accordance with Accounting Standard AASB 133 'Earnings per Share' subject to the adjustments as described below.

In determining EPS, the Board has the discretion to disregard earnings reasonably attributable to businesses acquired by the Group after 1 July 2020 and/or abnormal one-off events.

The Directors (with Mr Forsyth abstaining) recommend that shareholders vote in favour of this Resolution.

Annexure A – Summary of key features of the Performance Rights Plan

Feature	Details
Instrument	The Performance Rights Plan uses Performance Rights which are entitlements to the value of Shares which may be satisfied either in cash and/or in Shares. Generally it is expected that vested Performance Rights will be satisfied in Shares. The price to exercise the Performance Rights is at the discretion of the Board (and may be nil), however vesting is performance tested. The value that will be realised is then a function of performance against indicators (Vesting Conditions) and the Share price at the time of vesting.
Eligibility	Selected full or part-time employees (including a Director employed in an executive capacity) as nominated by the Board are eligible to participate.
Terms & Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Performance Rights under the Performance Rights Plan, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended.</p> <p>All Performance Rights will be subject to Vesting Conditions. The conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the Performance Rights Plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control and the treatment of Performance Rights in the circumstances of various forms of termination.</p>
Number of Rights	The number of Performance Rights offered to a participant is at the discretion of the Board.
Vesting	Performance Rights vest based on the Company's performance. Upon the satisfaction of the Vesting Conditions, the value of Performance Rights that vest will be evaluated and will either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares. The Board may determine that an amount is payable by a participant to acquire a Share upon exercise of a Performance Right.
Performance Period	The Performance Period is determined by the Board as part of the relevant invitation.
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each invitation to participants, however the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Performance Periods. Vesting conditions will be performance relative to a scale of outcomes determined by the board for the relevant participant.
Exercise Price	The Board may determine that an amount is payable by a participant to acquire a Share upon exercise of a Performance Right. If no determination is made, the exercise price is zero.
Cessation of Employment	The Performance Rights Plan contains provisions concerning the treatment of vested and unvested Performance Rights in the event that a participant ceases employment (ie becomes a leaver).

	<p>Where a participant becomes a leaver, other than due to special circumstances, their Performance Rights automatically lapse.</p> <p>Where a participant becomes a leaver due to special circumstances, the Board may determine that any or all of their Performance Rights will vest. If they make no determination within 6 months, the Performance Rights will automatically lapse.</p>
Change of Control of the Company	<p>Where a change of control has occurred, or the Board considers a change of control event will occur, Performance Rights granted will vest (at the Board's discretion) if performance is in line with the performance conditions attaching to those Performance Rights.</p> <p>Any Performance Right which does not vest will automatically lapse unless the Board determines otherwise.</p>
Issue of Shares or cash settlement	<p>After a valid exercise of a Performance Right the Company will issue, allocate or acquire on market the relevant number of Shares and/or pay a cash amount to the participant. The method is at the Board's discretion.</p> <p>If Performance Rights are cash settled, the payment will be the cash equivalent of the value of the Shares which would otherwise have been granted. Unless the Board determines otherwise, the payment will be minus the funds required to be withheld for tax or superannuation and/or to pay the exercise price (if any).</p>
Voting and Dividend Rights	<p>Performance Rights do not carry voting or dividend entitlements. Shares issued when Performance Rights vest carry all entitlements of Shares, including voting and dividend rights.</p>
Transfer of Rights	<p>Performance Rights may only be transferred with the prior written consent of the Board. Performance Rights which are otherwise sold, transferred, mortgaged, charged or otherwise dealt with or encumbered (except by force of law) without this consent, will immediately lapse.</p>
Quotation	<p>Performance Rights will not be quoted on the ASX. The Company will apply for quotation of any Shares issued upon the vesting of Performance Rights in accordance with the Listing Rules.</p>
Variation of Terms and Conditions	<p>To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Performance Rights Plan.</p>
Cost and Administration	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Performance Rights Plan.</p>
Lapse and Forfeiture of Performance Rights	<p>Performance Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Performance Period.</p>



ACN 078 480 136

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:
1300 552 270 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **09:00 AM (AWST) on Wednesday, 25 November 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Austin Engineering Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Austin Engineering Limited to be held at 9:00am (AWST) Friday, 27 November 2020 at Vibe Hotel Subiaco Perth, 9 Alvan Street, Subiaco WA 6008 and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 3 and 4** (except where I/we have indicated a different voting intention in step 2) even though **Resolutions 3 and 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolutions 3 and 4** by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr Jim Walker as Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Sybrandt Van Dyk as Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for grant of performance rights to Mr Peter Forsyth, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare





ACN 078 480 136



ANG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **09:00 am (AWST)** Wednesday 25 November 2020.

Austin Engineering Limited Annual General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of Austin Engineering Limited will be held at Vibe Hotel Subiaco Perth, 9 Alvan Street, Subiaco WA 6008 on Friday, 27/11/2020 at 09:00 am (AWST).

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.