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**Austin Engineering Limited**

Effective 27 May 2020



# **Nomination and Remuneration Committee Charter**

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**What is the purpose of this Charter?**

This Charter describes the Committee's role as a committee of the Board.

This Charter has been approved by the Board. It may be reviewed and amended by the Board at any time.

The Committee will review this Charter each year to ensure that it appropriately documents, and assists the Committee to perform, its role.

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**What is the Committee's role?**

The Committee will assist the Board in:

- ensuring that the Board has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- addressing Board succession issues; and
- setting the level and composition of remuneration for Directors and Senior Executives and ensuring it is appropriate and not excessive.

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**What are the Committee's responsibilities?**

The Committee will review and make recommendations to the Board in relation to the following:

- Board succession planning generally;
- Developing and implementing induction programs and continuing professional development programs for Directors and management to develop and maintain knowledge, skills and expertise needed to perform their role effectively and that is otherwise in line with the Company's skills matrix and corporate objectives;
- The development and implementation of a process for evaluating the performance of the Board, its committees (including the Committee), Directors and Senior Executives;
- The process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, considering the role and capabilities required for a particular appointment;
- The time commitments required of non-executive Directors and whether the requirements are being met;
- The appointment and re-election of Directors;
- Ensuring there are plans in place to manage the succession of the CEO and other senior executives;
- Adopting measurable objectives for achieving diversity throughout Austin and assessing progress towards achieving those objectives as set out in the Austin Diversity Policy;

- The remuneration framework for Directors, including the process by which any pool of Directors' fees approved by Austin's members is allocated to Directors;
- The remuneration packages to be awarded to the CEO and other senior executives;
- Equity-based remuneration plans for senior executives and other employees;
- Conduct performance evaluations aligned to the Austin Performance management system for senior executives;
- Whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees; and
- Any other matter delegated to the Committee by the Board in order to fulfil the Committee's role.

#### **Who does the Committee report to?**

The Chair will report to the Board and, if appropriate, make recommendations to the Board after each Committee meeting, concerning matters dealt with by the Committee.

The Committee shall make **no** recommendation to the Board concerning the appointment of any person unless that person has provided to the Committee a duly completed signed *Consent to Act* in the form approved by the Board from time to time.

The Committee Chair shall report to the Board annually in respect of its:

- evaluation of the relevant skills and competencies gap of the Board;
- formulation and/or review of a succession plan for the Board;
- formulation and/or review of Board appointment procedure;
- review of the new Director induction programme;
- recommendation in respect of remuneration for directors, the Managing Director and senior executives;
- general recommendation in respect of other remuneration guidelines for management implementation; and
- review of management's succession plan and any recommendations for Board consideration.

#### **Who are the Committee members?**

The Board will appoint at least three Directors to the Committee and the majority will be independent Directors, one of whom will be appointed by the Board as the Chair. The Board will try to ensure that the Committee has an appropriate diversity of membership to avoid entrenching unconscious bias.

The Committee's composition will be reviewed on an annual basis by the Board. However, the Board may at its discretion, remove and replace any of the Committee's members at any time.

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**Can the Committee obtain external advice?**

If the Committee considers it necessary or appropriate to do so, it can retain external consultants or advisers to provide advice and/or reports to the Committee in discharging its responsibilities, including assisting the Committee in identifying suitable Director nominee candidates.

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**What are the Committee's powers?**

The Committee has wide ranging powers to seek information, reports, explanations from the Austin Group, including to question any employee of the Austin Group and any consultant, contractor and internal or external auditor or person who for the time being is acting in any of those positions or performing those functions in respect of any matters it considers relevant or incidental to the discharge of its responsibilities.

The Committee may seek advice, reports and other independent counsel as it determines in its absolute discretion is necessary to discharge its responsibilities.

The Committee may retain the services of, and meet with consultants and advisors "in camera" as it determines.

The Committee may, in its discretion, delegate all or a portion of its function and responsibilities to a sub-committee of the Committee, which will comprise no less than two members.

The Committee's powers are investigative and advisory only. The Committee shall have **no power to make determinations** on behalf of the Company but will make recommendations to the Board on matters for Board determination.

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**How are the Committee's meetings regulated?**

The Committee will meet at least twice annually and more frequently if determined appropriate by the Committee or the Board.

The Committee's meetings will be regulated in accordance with the Constitution.

Administrative support will be provided to the Committee by the Company secretary.

The Committee may invite any Director or senior executive of the Company or any external consultant or adviser to attend the Committee's meetings.

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**How will senior executives' performance be reviewed?**

The Managing Director, under the delegated authority of the Board, determines the KPI's of the senior executive members.

The Managing Director, with the Remuneration and Nominations Committee, formally reviews the performance of senior executives annually.

The performance evaluation of the senior executives is undertaken annually in the first quarter of each financial year. The evaluations aim to assess:

- The completeness and effectiveness of each senior executive in meeting their KPIs on a quarterly, biannual and annual basis;
- Whether the senior executives provide an appropriate mix of skills and experience to allow the company to meet its corporate goals and strategies; and
- Whether the senior executives provide a safe, secure, productive, harmonious and non-discriminatory work environment aligned to the Austin values for all Austin employees to perform at their best.

The outcome of the above reviews will be communicated to the Board for approval.

The Company Secretary will also be provided with confirmation that this process has been completed and to document any specific issues that may have arisen, to ensure that the inclusion in the Annual Report is appropriately documented.

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## Definitions

<b>Austin or the Company</b>	Austin Engineering Ltd ACN 078 480 136.
<b>Austin Group</b>	The Company and its subsidiary companies from time to time, operating divisions, business units and joint ventures (where relevant)
<b>Board</b>	The board of directors of Austin.
<b>CEO</b>	The chief executive officer of Austin.
<b>Chair</b>	The chair of the Committee.
<b>Charter</b>	This document as amended from time to time.
<b>Committee</b>	The nomination and remuneration committee of the Board.
<b>Constitution</b>	The constitution of the Company.
<b>Director</b>	A director of Austin.
<b>Managing Director</b>	The managing Director of Austin.