



## Nomination & Remuneration Committee Charter

### **Role of the Committee**

The role of the Nomination and Remuneration Committee is to make recommendations to the Board of Austin Engineering Limited (Company) with regards to:

- the selection and appointment of members of the Board and senior executives, so that it has an effective balance of skills, knowledge, experience, independence and diversity in order to effectively discharge its responsibilities and duties, and add value through effective decision making; and
- the Company's remuneration policies, to ensure that remuneration is sufficient and reasonable and that its relationship with performance is clear.

### **Composition, Size and Structure**

- (a) The Committee should consist of:
  - (i) a majority of independent Directors;
  - (ii) be chaired by an independent Director; and
  - (iii) have at least three members.
- (b) The members of the Committee will be appointed and removed by the Board.

### **Meetings and Administration**

- (a) the Committee will meet as frequently as necessary, but at least three times a year.
- (b) a quorum for any meeting will be at least two Committee members.
- (c) the Company Secretary will be the Secretary of the Committee.
- (d) the Committee may invite other persons to attend meetings, if considered appropriate by the chair of the Committee, for example external consultants or specialists. However, no such individual should be involved in deciding his or her remuneration.
- (e) the Committee may, with the approval of the Committee chair, seek independent advice from external consultants to enable the Committee to properly carry out its functions and meet its objectives.

The Committee shall ensure:

- i. each member of the Committee is given reasonable notice of a Committee meeting;
- ii. the chair of the Committee calls a meeting at the request of any Committee member, the Managing Director, or the Company Secretary;
- iii. formal minutes of meeting of the Committee are taken by the Company Secretary and available for inspection by any director of the Board; and
- iv. any person who has a material personal interest in a matter being considered by the Committee must not be present at a meeting of the Committee, when that matter is being considered.



## Reporting to the Board

The chair of the Committee (or a person nominated by the chair of the Committee for that purpose) must report to the Board at its next meeting on all material matters and recommendations relevant to the Committee's duties and responsibilities. Where any Committee member has a contrary view to a Committee decision, that view is to be reported to the Board.

## Duties and Responsibilities

The duties and responsibilities of the Committee are as follows. However, the Board may (from time to time) delegate other responsibilities and functions to the Committee.

## Remuneration Duties and Responsibilities

- (i) remuneration policies, including:
  - a. evaluating and recommending the remuneration packages (including fixed remuneration, short term and long-term incentives and any other benefits or arrangements) of the CEO/Managing Director, executive directors and other senior executives;
  - b. evaluating and recommending the remuneration arrangements for non- executive directors;
  - c. monitoring compliance with the non-executive director remuneration pool as established by the Constitution, or as subsequently amended by shareholders, and recommending any changes to the pool; and
  - d. engagement of external remuneration consultants;
- (ii) short- and long-term incentive plans, including:
  - a. plan terms and conditions;
  - b. performance hurdles, if any;
  - c. invitations to participation in offers and the terms of participation;
  - d. achievement of performance criteria (if any) and the final level of any payments, grants or allocations; and
  - e. the ability to claw back performance-based remuneration from executive directors and senior executives where appropriate;
- (iii) equity plans, including:
  - a. amendments to the terms of existing plans within the parameters of those plans;
  - b. administration and operation of plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans; and
  - c. the ability to claw back performance-based remuneration from executive directors and senior executives where appropriate;



- (iv) review of development and succession plans for senior executives and ensure that gender diversity is a relevant consideration; and
- (v) consider whether key performance indicators for directors and Senior Management might be an appropriate way of furthering gender diversity objectives.
- (b) the Committee must also oversee remuneration and diversity related disclosures required in statutory reporting, if any, and provide advice to the Board on approval of those disclosures including in relation to the Company's policies and practices regarding the remuneration of directors and senior executives, the potential claw back of any performance-based remuneration and any minimum shareholding requirements.

### **Nomination Duties and Responsibilities**

- (i) recruitment of directors and senior executives, including:
  - a. undertaking appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history) before appointing a director or senior executive; and
  - b. ensuring the Company enters into a written agreement setting out the appointment terms with the individual personally (except where a bona fide professional services firm is being engaged on an outsourced basis, in which case, the agreement may be with that entity);
- (ii) Board composition and performance, including:
  - a. review of development and succession plans for directors;
  - b. the appropriate size, composition and diversity of the Board;
  - c. the appropriate criteria (necessary and desirable skills and experience) for appointment of directors;
  - d. recommendations for the appointment, composition, re-election and removal of directors;
  - e. recommendations for the composition of Board committees;
  - f. the terms and conditions of appointment to and retirement from the Board;
  - g. ensuring that an effective induction process is in place for newly appointed directors (including, where appropriate, training on key accounting matters and on the responsibilities of directors in relation to the Company's financial statements) and review of those induction procedures;
  - h. regularly assessing whether the directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues;
  - i. ensuring that continuing directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively;
  - j. the time non-executive directors are expected to devote to the Company's affairs and whether directors are meeting that requirement;



- k. the evaluation of the performance of the Board, its committees, the directors and the CEO/Managing Director; and
- l. overseeing the regular assessment of, and making recommendations to the Board in relation to, the independence of each director and associated disclosures.

### **Selection and Appointment Process**

- (a) In searching for and selecting new directors for the Board, the Committee may adopt certain criteria to make recommendations to the Board, including the candidate's background, experience, professional skills, personal qualities, gender, capability of the candidate to devote the necessary time and commitment to the role, potential conflicts of interest and independence and whether their skills and experience will complement the existing Board.
- (b) With respect to the selection of candidates for the Board:
  - (i) the Committee will develop a board skills matrix to identify any 'gaps' in the skills and experience of the directors on the Board, and if thought appropriate, will implement such a matrix and disclose it in the Company's annual report;
  - (ii) the Committee will take into consideration the Company's Diversity Policy in selecting new directors for the Board and will seek to ensure the policy for selection and appointment of new directors is transparent and considers all facets of diversity to avoid "groupthink" or other cognitive biases in decision making;
  - (iii) the Committee may obtain assistance from professional intermediaries to identify and assess the suitability of Board candidates;
  - (iv) the Committee will undertake appropriate checks in respect of each candidate;
  - (iv) the names of candidates submitted for election or re-election as directors at a shareholder meeting should be accompanied in the notice of meeting by all material information in its possession relevant to a decision on whether to elect or re-elect a director, including:
    - a. biographical details, including skills, experience, competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;
    - b. a statement by the Board as to whether it supports the nomination of the proposed candidate(s); and
    - c. details of relationships between the candidate and the Company; and the candidate and directors of the Company;
  - (v) directorships held;
  - (vi) particulars of other positions which involve significant time commitments;
  - (viii) if the candidate has been submitted to be elected as a non-executive director, any interests, positions, associations or relationships which may bear on the candidate's independence;
  - (ix) the term of office currently served by any directors subject to re-election; and





- (x) any other particulars required by law.

### **Authority**

The Committee is empowered to investigate any matter within the scope of this Charter and make recommendations to the Board, with full access to all books, records, company operations, and people of the Company and the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.

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

### **Committee Performance**

The Committee will review this Charter as often as it considers necessary.

The Board will, as often as it considers necessary, review the membership of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Committee shall make an evaluation of its performance as often as it considers necessary to determine whether it is functioning effectively by reference to current best practice.

The Board may change this Charter (including the responsibilities of the Committee) from time to time.