

14 July 2021

Appointment of CEO and Managing Director

Austin Engineering Limited (ASX: ANG, Austin or the Company) is today providing an update to the previously announced Chief Executive Officer (CEO) Transition¹ and is pleased to advise the appointment of Mr David Singleton as CEO and Managing Director, effective 14 July 2021.

Mr Singleton is currently a Non-Executive Director of the Company and was appointed to the role of interim CEO following the announcement of the resignation of the Company's former CEO and Managing Director, Mr Peter Forsyth, on 25 June 2021.

Mr Singleton was previously the CEO of Perth-based international ship builder Austal Limited, where he led the company through a period of significant growth and contract wins, building to annual revenues of over \$2 billion and significantly increasing profitability and reducing debt levels. In that role he oversaw operations in Australia, the USA, the Philippines and Vietnam. Mr Singleton was also previously the CEO of engineering and construction firm, Clough.

Mr Singleton spent much of his early career in the defence industry working as Global Head of Strategy and M&A for BAE Systems in London and as CEO of Alenia Marconi Systems in Rome. His roles included design, heavy manufacturing, customer support and international sales.

As previously advised, one of his initial duties as CEO will be to conduct a Strategic Review to identify significant organic and inorganic growth opportunities for Austin across its global operations. An update on the Strategic Review will be provided alongside Austin's FY2021 results in late August 2021.

Austin Chairman Jim Walker said:

"We're very pleased to bring David into the role of company CEO. He brings a relevant skill set to Austin as it embarks on a crucial strategic review to elevate it to the next stage of growth. He has both corporate and operational skills and has already made a strong contribution to the Company through his role as Non-Executive Director."

Mr Singleton will be remunerated with a package heavily weighted towards growing Austin's share price, ensuring alignment with shareholders. The total value of his package has been benchmarked by a globally recognised remuneration consultant. His base pay will be less than half that of his predecessor with the remainder of his package being options which have been valued by a large global accounting firm. None of these options will be exercisable until the share price reaches at least 20c. Further details of the terms of Mr Singleton's appointment as CEO are set out in Appendix A to this announcement.

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Contacts:

¹ Refer ASX Announcement 25 June 2021: *CEO Transition – Timing Update*

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Announcement Authorisation

This announcement was authorised by the Board of Directors.

About Austin Engineering

Austin is a global engineering company. For over 50 years, Austin has partnered with mining companies, contractors and original equipment manufacturers to create innovative engineering solutions that deliver productivity improvements to their operations.

Austin is a market leader in the design and manufacture of loading and hauling solutions, including off-highway dump truck bodies, buckets, water tanks and related attachments, supporting both open-cut and underground operations. Complementing its proprietary product range are repair and maintenance services performed in our workshops and on clients' mine sites, and spare parts.

Through Austin's own design and engineering IP and range of tailored products, it delivers solutions for all commodity applications and drives increased efficiencies in productivity and safety in both open cut and underground mining operations.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end user, reducing fuel usage per material carried.

The company is headquartered in Perth and has operations around Australia as well as in Asia, North and South America with two key engineering hubs operating from Perth, Australia and Casper, Wyoming USA, with strategic partnerships and representation in Africa, Brazil and Eastern Europe.

Appendix A: Summary of material terms of Mr Singleton's appointment

In accordance with ASX listing Rule 3.16.4, the Company advises the following material terms of Mr Singleton's Employment arrangements

- The appointment is effective from 14 July 2021 and has no fixed term.
- The appointment may be terminated by either Mr Singleton or Austin by giving not less than 3 months' written notice. Austin will also be able to terminate the appointment immediately for cause.
- Total fixed annual remuneration of \$250,000 per annum (inclusive of superannuation). This remuneration will be fixed for three years. During this period, Mr Singleton is not expected to participate in any short term or long term incentive plans other than outlined below.
- Mr Singleton's entitlement to receive director fees ceased on 30 June 2021.
- Mr Singleton will also be offered a package of 42,900,000 options (each with an exercise price of 13 cents) with the following vesting criteria, all of which are subject to shareholder approval:
 - 13,200,000 when the Austin share price reaches 20 cents (based on a 60 day VWAP) prior to 30 June 2024;
 - 13,800,000 when the Austin share price reaches 24 cents (based on a 60 day VWAP) prior to 30 June 2024; and
 - 15,900,000 when the Austin share price reaches 28 cents (based on a 60 day VWAP) prior to 30 June 2024.

However (to ensure retention) one third of each of the above tranches only becomes capable of exercise after each of 30 June 2022, 30 June 2023 and 30 June 2024 (and provided that Mr Singleton remains employed at that time). Any options that have not met the relevant vesting criteria within 3 years from their date of issue, or upon cessation of employment (if earlier), will lapse. The Incentive Options will be issued under a new Incentive Option Plan to be adopted by the Board.

The Board intend to have an exclusive right under the Incentive Option Plan to settle the options without contribution of cash from Mr Singleton reducing the dilution to shareholders upon exercise.

- The grant of these Incentive Options will be subject to shareholder approval at the Company's 2021 Annual General Meeting, if this is not given for the above issue, Mr Singleton's remuneration will revert to the current arrangement whereby he receives a daily rate of \$4,000 (inclusive of superannuation), backdated to the date of this announcement.