

# REMUNERATION AND NOMINATION COMMITTEE CHARTER

## 1.0 ESTABLISHMENT OF COMMITTEE

This Charter sets out the basis on which the Board has established the Remuneration and Nomination Committee pursuant to the authority contained in and subject to the provisions of the Constitution.

## 2.0 INTERPRETATION

**ASX** means the ASX Limited or the Australian Securities Exchange.

**ASX Listing Rules** means the listing rules of the ASX, as amended from time to time.

**ASX Principles and Recommendations** means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended from time to time.

**Board** means the Board of Directors of CIMIC.

**CEO** means the Chief Executive Officer of CIMIC, or any person performing the equivalent role.

**CIMIC** means CIMIC Group Limited (ACN 004 482 982).

**Committee** means the Remuneration and Nomination Committee of the Board or any committee performing the same functions.

**Company Secretary** means the Company Secretary of CIMIC.

**Constitution** means the constitution of CIMIC, as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth), as amended from time to time.

**Director** means a person appointed as a director of the Board and includes any duly appointed alternate director.

**Executive Chair** means a person appointed as the Executive Chair of the Board.

**Group** means CIMIC and its subsidiaries and controlled entities.

**Independent Director** means a Director who the Board considers to be independent in accordance with the definition of independent director and the factors relevant to assessing the independence of a director set out in the ASX Principles and Recommendations.

**Key Management Personnel** (or KMP) has the meaning given in section 9 of the Corporations Act.

**Managing Director** means the person appointed as the Managing Director of a Group Operating company.

**Non-executive Director** has the meaning given in the ASX Principles and Recommendations.

## 3.0 OBJECTIVES AND PURPOSE

**3.1** The objective and purpose of the Committee is to assist the Board in fulfilling its duties and obligations regarding the appointment and remuneration of its Directors and KMP, and to assist the CEO in relation to the remuneration of employees, including considering and approving strategies, and frameworks which:

- (a) enable the Group to attract, retain and motivate personnel with the experience and skills necessary to lead, manage and operate the Group for the benefit of shareholders;
- (b) reward executives having regard to financial and operational performance; and
- (c) enable the Board to be comprised of individuals who are able to discharge the expected responsibilities of Directors;
- (d) comply with the governance requirements under the ASX Listing Rules and the Corporations Act; and
- (e) promote pay equity across the Group.

**3.2** The Board recognises that certain matters may be relevant to the roles of one or more of its committees. Any such matters will be considered by each committee in accordance with its respective charter.

The Chair of each such committee will keep the Chair of the Board informed of their committee's consideration of any relevant matters.

## **4.0 COMMITTEE MEMBERSHIP**

### **4.1 Structure**

The Committee will comprise of:

- at least three members;
- only Non-executive directors; and
- an Independent Director as Chair (including a Chair elected under clause 5.6), who is not the Chair of the Board,

each of whom will be appointed or removed by the Board in consultation with the Chair of the Board.

### **4.2 Expertise**

All members of the Committee must have recent and relevant experience in matters that fall within the responsibilities of the Committee.

### **4.3 Secretary**

The Company Secretary or their nominee will act as Secretary to the Committee and attend all meetings.

## **5.0 PROCEEDINGS**

### **5.1 Frequency**

- (a) The meetings will be held as considered necessary to enable the members to fulfil their duties and responsibilities to the Board.
- (b) Any Committee member may at any time request to convene a meeting. The Secretary must on the request of a Committee member, call a meeting of the Committee.

### **5.2 Notice**

The date, time and venue of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as practicable.

### **5.3 Committee Papers**

- (a) Committee papers for each meeting of the Committee will be made available by the Secretary to all members of the Committee as far in advance as practicable.

- (b) All Directors are entitled to receive all documentation presented to the Committee unless a Director is precluded from receiving some or all of the documents.

#### **5.4 Attendance**

- (a) Attendance at Committee meetings may be in person, by telephone or by other electronic means, as agreed.
- (b) Directors who are not members of the Committee are entitled to attend Committee meetings. Members or Directors may attend through an alternate where one has been appointed in accordance with the Constitution.
- (c) The CEO has a standing invitation to attend all Committee meetings but may not participate in that part of any meeting which relates to information which may cause a conflict of interest.
- (d) The Committee or its Chair may extend an invitation to any person relevant to the matters before the Committee to attend all or part of any meeting of the Committee which it considers appropriate.
- (e) The Chair may request any person in attendance at a Committee meeting not to be present for part of the meeting where appropriate, including where a person declares a conflict of interest.

#### **5.5 Quorum**

A quorum for a meeting of the Committee is two members, one of which must be an Independent Director. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by the Committee.

#### **5.6 Chair**

If the Chair is absent, the remaining members will elect one of their Independent Directors as Chair of the meeting (subject to clause 4 of this Charter).

#### **5.7 Constitution**

Proceedings of the Committee will be governed by the provisions of the Constitution in so far as they may be applicable.

#### **5.8 Minutes**

- (a) Minutes of all meetings and determinations of the Committee must be made, entered and signed in the same manner in all respects as minutes of proceedings of the Board.
- (b) Draft minutes of the Committee meetings must be distributed as soon as practicable to all members of the Committee for confirmation. Once approved, minutes must be circulated to all other members of the Board unless a Director is precluded from receiving the minutes either in total or in part.

### **6.0 Authorities**

#### **6.1 Access and advice**

The Committee may, when it considers it necessary and with the CEO's knowledge, obtain information, interview management and internal and external auditors (with or without management present), and seek advice from consultants or specialists.

## 7.0 ROLES AND RESPONSIBILITIES

Without limiting its role as described in section 3 above, specific roles and responsibilities of the Committee include the following:

### 7.1 *Remuneration strategy and framework*

The Committee will consider and agree the Group remuneration strategy and frameworks, including the application of Board or Committee judgement, termination benefits and other benefits, as well as any material changes, recommended jointly by the CEO and Executive Chair.

### 7.2 *Appointment and remuneration of management*

The Committee will:

- (a) consider and propose the appointment of the CEO to the Board for approval;
- (b) consider and propose the remuneration (including any incentive awards) of the CEO to the Board for approval; and
- (c) receive and review the remuneration (including any incentive awards) approved jointly by the CEO and Executive Chair <sup>1</sup> for any members of management considered KMPs.

### 7.3 *Equity plans*

On joint recommendation of the CEO and Executive Chair, the Committee will:

- (a) agree and recommend to the Board for approval of the establishment of any new equity plan;
- (b) agree any amendments to existing equity plans; and
- (c) determine each year whether equity awards will be made under the incentive plans including performance criteria and other terms and conditions of the grant.

In addition, the Committee will:

- (d) periodically review the effectiveness and appropriateness of existing equity plans; and
- (e) provide any other oversight required for the effective administration of the Group's equity plan(s) and grants made under the equity plans.

### 7.4 *Remuneration Report<sup>2</sup> and other disclosures*

The Committee will review and recommend to the Board the Remuneration Report and other corporate governance disclosures required by the ASX Listing Rules in relation to the composition and operation of the Committee.

### 7.5 *Non-Executive Directors' remuneration*

The Committee will review and recommend to the Board for approval the remuneration arrangements for Non-executive Directors and Board committee members.

### 7.6 *Board performance and succession*

The Committee will:

- (a) having regard to the strategic direction of the Group, assess periodically the necessary and desirable competencies (skills, knowledge and experience) of Board members to enable the Board to discharge its duties;
- (b) review and make recommendations to the Board regarding the structure, size and composition of the Board and the effectiveness of the Board as a whole;

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<sup>1</sup> In accordance with the delegations of authority, as published from time to time.

<sup>2</sup> As defined in the Corporations Act.

- (c) identify suitable candidates to fill Board and Board committee vacancies as and when they arise and nominate candidates for the approval of the Board having regard to the committee's views on the desirable mix of skills, knowledge, experience and diversity;
- (d) ensure that appropriate background checks are undertaken before appointing a Director, or putting forward to shareholders a new candidate for election, as a Director.
- (e) arrange for each Director to receive a formal agreement setting out the terms of their appointment;
- (f) oversee the implementation of an effective Director induction process and regularly review its effectiveness;
- (g) oversee the development and implementation of a continued professional development program for Directors, as required; and
- (h) undertake an annual assessment of the independence of each Non-executive Director having regard to the definition of 'independent director' and the factors relevant to assessing the independence of a director set out in the ASX Principles and Recommendations.

## 8.0 REPORTING TO THE BOARD

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) will report to the Board after each Committee meeting on all key discussions, decisions and recommendations of the Committee.

The Committee will annually provide assurance to the Board that the Committee has performed its duties in accordance with its Charter.

## 9.0 CHARTER REVIEW AND PUBLICATION

The Committee will periodically review this Charter and refer any recommended changes to the Board for approval. A copy of this Charter is published on CIMIC's internal and external websites.

### Document Information

<b>Owner:</b>	Company Secretary, CIMIC
<b>Approved by:</b>	CIMIC Board
<b>Effective date:</b>	23 October 2018