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## 1 POLICY

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The Downer EDI Limited Remuneration Committee has been established to assist the Board by reviewing and making recommendations to the Board about remuneration, incentive plans, employee share plans and related matters and assisting the Board to ensure the Company complies with its disclosure obligations concerning remuneration.

## 2 PURPOSE

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This Charter sets out the functions and responsibilities of the Remuneration Committee and how the Remuneration Committee will operate. The Remuneration Committee has the power to make decisions about any of its responsibilities as set out in this Charter

## 3 SCOPE

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The Board, the Remuneration Committee and Senior Executives.

## 4 RESPONSIBILITIES AND FUNCTIONS

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### 4.1 Responsibility and Functions Generally

The Remuneration Committee is generally responsible for reviewing and making recommendations to the Board about:

- a) the Company's remuneration, recruitment, retention and termination policies and procedures for Senior Executives;
- b) the remuneration (including incentives), and conditions of employment, of all senior executives reporting to the Chief Executive Officer and Managing Director ("Group CEO");
- c) the Company's employee share schemes and superannuation arrangements;
- d) the Company's disclosure obligations for matters that are within the Remuneration Committee's specific responsibilities;
- e) reviewing emergency and long-term succession plans for all senior executives reporting to the Group CEO; and
- f) reviewing management's plan to identify and develop emerging leaders.

### 4.2 Executive Remuneration Policy

The Remuneration Committee is responsible for:

- a) developing an executive remuneration policy;
- b) regularly reviewing and making recommendations to the Board about the Company's executive remuneration policy including incentive plans, superannuation arrangements, retirement benefits and other benefit programs;
- c) determining whether to seek shareholder approval for any elements of the executive remuneration policy or amendment to the current policy.

### 4.3 Executive Remuneration

The Remuneration Committee is responsible for:

- a) making recommendations to the Board about the remuneration package (including base pay, incentive payments, equity awards, retirement rights and service contracts) for all senior executives reporting to the Group CEO; and
- b) determining whether to seek shareholder approval for recommended remuneration packages and ensuring that all Senior Executive remuneration is made in accordance with relevant shareholder approvals.

### 4.4 Executive Incentive Plans

The Remuneration Committee is responsible for reviewing and making recommendations to the Board regarding the design of all executive incentive plans (including the total proposed payments from each executive incentive plan).

### 4.5 Equity Based Plans

The Remuneration Committee is responsible for:

- a) regularly reviewing, and making recommendations to the Board about, the design of all equity based plans;
- b) determining on an annual basis whether awards will be made to Senior Executive and Executives under each plan;

- c) reviewing, and making recommendations to the Board about, total proposed awards under each plan; and
- d) regularly reviewing, and making recommendations to the Board about, the performance hurdles of each equity based plan.

### 4.6 Superannuation Arrangements

The Remuneration Committee is responsible for making recommendations to the Board about the superannuation arrangements of the Company.

### 4.7 Disclosure

The Remuneration Committee is responsible for reviewing all public disclosures and statements about the Company's remuneration policies and related matters that are within the Remuneration Committee's specific responsibilities, including:

- a) market disclosures to the ASX and the New Zealand stock exchange;
- b) the Company's annual reports; and
- c) press releases,

before any disclosures and statements are released to the market or made public.

## 5 MEMBERSHIP

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### 5.1 Composition

The Remuneration Committee must comprise a minimum of three members and must have a majority of independent, non-executive Directors.

The Chairman of the Remuneration Committee must be an independent, non-executive Director.

## 6 ADMINISTRATION

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### 6.1 Operational Guidelines

The *Operational Guidelines for the Board Committees* ("the Guidelines") sets out the procedures and requirements to ensure the Remuneration Committee fulfils its specific role and responsibilities.

The Guidelines form part of, and must be read with, this Charter. If there is an inconsistency about a specific procedure or requirement between this Charter and the Guidelines, the arrangements set out in this Charter apply.

### 6.2 Meetings

The Group CEO has the right to contribute to the agenda for any Remuneration Committee meeting.

### 6.3 Attendees

The Remuneration Committee may invite any person to attend any meeting or part of any meeting of the Remuneration Committee.

### 6.4 External Advisers

The Remuneration Committee may appoint external remuneration advisers, independent of the Company's remuneration advisers, to review executive remuneration and strategy and assist with optimizing shareholder and proxy adviser approval of the annual Remuneration Report.

## **7 REPORTING RESPONSIBILITIES**

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### **7.1 Reporting Responsibilities**

In addition to the reporting responsibilities set out in the Guidelines, the Remuneration Committee must prepare for approval by the Board, a written report about any of the matters set out in this Charter that are:

- a) required by any market listing rule, legislation or regulatory body; or
- b) proposed to be disclosed in the Company's annual report, including the Remuneration Report.