

Remuneration & Human Resources Committee Charter

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Remuneration and Human Resources Committee Charter

1. Purpose

1.1 The Remuneration and Human Resources Committee (the **Committee**) is a Committee of the Aurizon Holdings Limited (the **Company**) Board (the **Board**). The purpose of the Committee is to review and make recommendations to the Board on the following matters:

- The remuneration of Board members and senior executives;
- senior executive and Board member termination payments;
- compliance with statutory obligations relating to remuneration related disclosures;
- policies and reporting relating to any current and future incentive programs including executive short and long term incentives;
- remuneration strategy to ensure that it is focussed on driving long term growth;
- the exercise of discretion in relation to performance assessment under the incentive plans;
- the Company's diversity and inclusion policies and practices
- the Company's Human Resources policies and practices.

and to undertake any other specific task or functions delegated to the Committee by the Board.

1.2 For the avoidance of doubt, the Committee discharges the above responsibilities in relation to the Company and as applicable, the entities it controls (the **Group**).

1.3 The Committee also exercises the administrative powers delegated to it by the Board.

2. Administration

2.1 Membership and Expertise

2.1.1 The Board appoints the members and Committee Chairman. The Committee must be composed of at least three Board members. All members of the Committee must be independent non-executive directors.

2.1.2 The Board may, by resolution, remove and replace members of the Committee.

2.1.3 Each Committee member must:

- Have a reasonable knowledge of the Group.
- Dedicate the necessary time and attention to Committee meetings.
- Be familiar with the relevant legal and regulatory disclosure requirements.
- Have knowledge and maintain awareness of current executive remuneration issues, including structures, quantum, incentive arrangements, executive retention and termination policies.
- Have knowledge and monitor awareness of current human resources management and diversity and inclusion policies and practices.
- Be a current member of the Australian Institute of Company Directors or equivalent and as such maintain a reasonable knowledge of current listed company corporate governance practices.

2.1.4 Aurizon's Company Secretary (the **Company Secretary**) or with approval of the Committee a delegate of the Company Secretary will be the secretary of the Committee (the **Committee Secretary**).

2.2 Meetings

- 2.2.1 Meetings shall be held at least four (4) times a year on dates determined by the Chairman or more frequently if required. Any member may require the Committee Secretary to convene a meeting of the Committee. Meetings will be scheduled to correspond with the Company's remuneration review and reporting cycle.
- 2.2.2 Meetings are governed by the provisions of the Company's Constitution regulating meetings and proceedings of the Board and the Committee should seek to determine matters before the Committee by consensus.
- 2.2.3 A quorum for any meeting is at least two independent non-executive members of the Committee.
- 2.2.4 In the absence of the Committee Chairman or appointed delegate, the members will elect one of their number as Chairman of that meeting.
- 2.2.5 The MD & CEO and Group Executives Human Resources attend all Committee meetings by standing invitation but may be asked to leave at any time. The Committee may invite other people including any employee of the Group to attend all or part of its meetings.
- 2.2.6 The MD & CEO will be invited to attend meetings which consider Board composition including selection and appointment of Directors to the Board.
- 2.2.7 Any person with a material personal interest in a matter being considered at a meeting must not be present for consideration of that matter.
- 2.2.8 Other members of the Board are entitled to attend Committee meetings.
- 2.2.9 The agenda for meetings is determined by the Committee Chairman in consultation with the Committee Secretary and others as expressly directed by the Committee Chairman.
- 2.2.10 Reports and other papers of the Committee are available to all members of the Board, subject to the rules in relation to conflict of interests set out in the Board Charter from time to time.
- 2.2.11 Decisions of the Committee may be made at a duly called and constituted meeting otherwise as agreed by all Committee members.

2.3 Minutes

- 2.2.1 The Committee Secretary must prepare minutes for each Committee meeting.
- 2.2.2 The draft minutes of each Committee meeting are to be reviewed by the Committee Chairman and circulated to all Committee members by the Committee Secretary as soon as practicable after each Committee meeting.
- 2.2.3 A copy of the Committee minutes, once they have been approved by the Committee, are to be signed by the Committee Chairman and made available for the Company's Board to view via the Directors' only website as soon as practicable.

3. Authority and resources

3.1 The Committee has full authority and resources to:

- Perform the activities required to discharge its responsibilities in this Charter.
- Obtain either directly or via the Company Secretary, and at the Company's expense, external independent professional advice (including from external legal and /or remuneration advisors) on terms it deems fit and as it considers necessary to meet the Committee's purpose and discharge its responsibilities.
- Have access, subject to the terms of the Board Charter, to any employees and information it considers necessary to perform its duties.

4. Reporting Responsibilities

- 4.1 The Committee minutes will be accessible to the Board via the Directors only website as soon as practicable after each Committee meeting.
- 4.2 The Committee will report to the Board through its Committee Chairman and will ensure that matters requiring Board attention are notified to the Board.
- 4.3 The Committee will undertake an annual self-assessment of its performance against the requirements of this Charter and provide that information to the Board.

5. Responsibilities

In addition to the responsibilities outlined in section 1, the responsibilities of the Committee include, but are not limited to:

- 5.1 Remuneration of the Board
 - 5.1.1 Monitoring, reviewing and making recommendations about the remuneration and benefits of Non-Executive Directors.
 - 5.1.2 Ensuring that all legal and regulatory (including disclosure) requirements in relation to the remuneration of directors are satisfied in full.
- 5.2 Performance and remuneration of Managing Director & CEO
 - 5.2.1 Monitoring, reviewing and making recommendations to the Board on the performance measures for the MD & CEO.
 - 5.2.2 Making recommendations to the Board on the terms and conditions of the MD & CEO's employment contract, remuneration and other benefits.
 - 5.2.3 Reviewing the MD & CEO's employment contract, remuneration and other benefits annually.
 - 5.2.4 Assisting the Chairman of the Board by monitoring the performance of the MD & CEO and, at least annually, undertaking a formal review of the MD & CEO's performance against agreed performance measures, considering the MD & CEO's remuneration and entitlement to performance based remuneration/ incentives and reporting its findings and recommendations to the Board.
 - 5.2.5 Ensuring any amendments to the employment terms and conditions of the MD & CEO are disclosed in accordance with any legal or regulatory requirements.
- 5.3 Performance and remuneration of Key Management Personnel
 - 5.3.1 Monitoring and approving the performance review process for Key Management Personnel (including the Company Secretary).
 - 5.3.2 Considering the results of the MD & CEO's annual performance review of Key Management Personnel.
 - 5.3.3 Annually reviewing the key accountabilities, performance measures, and employment and remuneration terms for Key Management Personnel and recommending changes to the Board.
- 5.4 Remuneration strategies, practices and disclosures generally
 - 5.4.1 Reviewing and making recommendations to the Board relating to the overall remuneration strategies, policies and practices, including compensation, incentives, equity-based plans and the process for the measurement and assessment of performance.
 - 5.4.2 Monitoring the effectiveness of the Aurizon Holdings Limited Group's overall remuneration framework in achieving stated objectives.
 - 5.4.3 Considering the annual advisory vote on the adoption of the remuneration report at the Company's Annual General Meeting.
 - 5.4.4 Reviewing the recruitment, retention and termination policies for senior management.

- 5.4.5 Confirming that the Company's remuneration and related disclosures comply with the relevant legal and regulatory obligations.
 - 5.5 Employee share and option plans
 - 5.5.1 Reviewing and approving all employee equity plans.
 - 5.5.2 Where shareholders have approved an equity based executive remuneration plan, ensuring that payment is made in accordance with that plan.
 - 5.5.3 Exercising all powers, authorities, discretions and decisions relating to share and option plans delegated to the Committee by the Board.
 - 5.6 Diversity and Inclusion
 - 5.6.1 Monitoring, reviewing and approving the Company's diversity and inclusion policies and practices
 - 5.6.2 Setting measurable objectives for achieving gender diversity and annually assessing the objectives and progress in achieving them
 - 5.7 Human Resources
 - 5.7.1 Reviewing the Company's Human Resources policies and practices generally including employee relations, talent management and organisational capability and culture.
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6. Review of the Committee Performance and Charter

- 6.1 The Committee will review annually its performance, its membership and Charter and make recommendations as it sees fit to the Board.