Transurban

Remuneration & Human Resources Committee Charter

1. Related documents

Policies	Board Charter
Other	THL Constitution TIML Constitution TIL Constitution Protocols for Obtaining External Remuneration Advice

2. Background

The Boards of Transurban Holdings Limited (**THL**), Transurban International Limited (**TIL**) and Transurban Infrastructure Management Limited (**TIML**), as responsible entity of Transurban Holding Trust, (together, Transurban) have established a Remuneration and Human Resources Committee (**Committee**).

The Boards of THL, TIML and TIL have common directors and meet concurrently. They are collectively referred to as the "Board" for the purpose of this Charter.

The purpose for which the Committee has been established and the Committee's powers, duties and responsibilities are set out in this Charter.

3. Purpose

The purpose of the Committee is to assist the Board in fulfilling its responsibilities relating to:

- the remuneration of the Board, the performance and remuneration of, and incentives for, the Chief Executive Officer (**CEO**) and Senior Executives, remuneration strategies, practices and disclosures generally; and
- management programs to optimise the contributions of Transurban's human resources to support and further corporate objectives, including succession and development planning, diversity and culture and engagement.

The duties and responsibilities of the Committee to fulfill this purpose are described in clause 6.

4. Composition

The Committee will have at least three members. The members will be appointed by the Board.

Each member will be a non-executive director of the Board. A majority of the members will be independent directors.

The Board will appoint the Chair of the Committee from amongst the independent directors.

If a member ceases to be a director of the Board, that member ceases to be a member of the Committee.

5. Administrative matters

5.1 Meetings

The Committee will meet as often as the members deem necessary in order to fulfill their role, although it is intended that the Committee meet no less than three times each year.

Additional Committee meetings may be convened as the Chair of the Committee considers necessary, taking into account requests from any member, the CEO or the Company Secretary.

A quorum of the Committee will comprise any two members.

If the Chair of the Committee is unable to attend a Committee meeting, the Chair, or the members present, will appoint another member who is an independent director to act as Chair at that meeting. However, all members are expected to participate in all Committee meetings.

Committee meetings may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution. A circular or written resolution signed by all members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes fax, email or other electronic means.

5.2 Attendance

Notice of Committee meetings will be provided to non-executive directors of the Board who are not members and such directors may attend Committee meetings.

Notice of Committee meetings will also be provided to the CEO and the Group General Manager, Customer Operations and Human Resources, who must attend meetings if requested. Other members of management and advisers may be invited to attend meetings, as the Chair of the Committee thinks fit.

If a Committee member or an attendee has a material personal interest in a matter that is being considered at a Committee meeting, that person must not be present for consideration of, or take any part in decision-making on, that matter. However, members may be present at Committee meetings and may participate in the formulation of recommendations to the Board in relation to the remuneration of non-executive directors.

Where necessary, Committee meetings will include a private session without management present.

5.3 Secretary

The Company Secretary will be the Secretary of the Committee (**Secretary**).

5.4 Agenda

The Secretary will prepare an agenda for each Committee meeting for review by the Chair of the Committee.

Any member may require business to be included on the agenda provided the Chair of the Committee and the Secretary have been given prior notice.

The agenda for each Committee meeting will be issued within a reasonable time prior to that meeting to members, the CEO and the Group General Manager, Customer Operations and Human Resources.

5.5 Minutes

Minutes of Committee meetings will be prepared by the Secretary, approved by the Chair of the Committee in draft and circulated to all members.

Minutes of any private sessions of the Committee will be prepared, approved by the Chair of the Committee in draft and circulated to all members.

The minutes of a Committee meeting (and of any private session) will be confirmed at the next Committee meeting and then signed by the Chair of the Committee.

5.6 Reporting

The minutes of each Committee meeting will be provided to all directors.

The Chair of the Committee will, if requested at the next Board meeting after a Committee meeting, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

5.7 Authority and access

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

The Committee does not have any executive powers to commit the Board or management to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.

The Committee may, from time to time, delegate specific authority to the Chair of the Committee to approve remuneration-related or human resources-related matters in between scheduled Committee meetings.

In addition, where circumstances arise:

(a) that require the urgent consideration of, or a decision on, a matter in between scheduled Committee meetings; and

(b) where the decision does not commit Transurban to a current or future monetary obligation of more than $1 million, the Chair of the Committee has this authority and the Chair will seek subsequent ratification of any decision at the next scheduled Committee meeting.

The Committee is not responsible for supervising the performance of management and does not become involved in day-to-day operations, management functions or decision making.

The Committee will have unrestricted access to management. The Committee will also have rights to seek explanations and additional information from management.

The Committee may engage external remuneration consultants to provide analysis or information from time to time in accordance with approved Protocols for Obtaining External Remuneration Advice.

The Committee has authority to conduct or direct investigations into any matters within its Charter. The Committee is entitled to obtain external, independent professional advice as considered necessary or desirable by the Committee to assist it in any investigation or to carry out its duties. As appropriate, the Committee will inform the Chairman of the Board, the CEO and the Company Secretary of its decision to authorise such an investigation or obtain such external advice.

6. Duties and responsibilities

The duties and responsibilities of the Committee (and their scope) are as follows:

6.1 Remuneration of the Board

- Monitoring, reviewing and making recommendations to the Board regarding the remuneration of non-executive directors (including base fees, committee fees, travel and other benefits).

6.2 Remuneration and performance of the Chief Executive Officer and other Senior Executives

- Reviewing and making recommendations to the Board on the remuneration and employment contract arrangements for the CEO and other Senior Executives, including quantum, the structure of "at risk" remuneration (short-term, long-term, and equity-based incentives), and other principal employment terms, having regard to Transurban's remuneration framework which is aimed at:
  - motivating executive management to pursue the corporate objectives of Transurban within an appropriate control framework;
  - demonstrating a clear relationship between key executive performance and remuneration; and
  - ensuring due consideration to law, corporate governance principles and market factors.
- Monitoring, reviewing and making recommendations to the Board regarding the key accountabilities and appropriate performance measures for the CEO and other Senior Executives.
- Monitoring the performance of the CEO and assisting the Chair of the Board in undertaking an annual review of the CEO's performance against agreed measures.
- Reviewing the performance review process for Senior Executives and the CEO's annual review of each Senior Executive's performance against agreed measures.

6.3 Remuneration strategies and practices generally

- Reviewing and making recommendations to the Board regarding the overall remuneration framework, strategies, policies and practices of Transurban.
- Setting remuneration policies and practices (where appropriate) within the overall remuneration framework approved by the Board.
- Monitoring the effectiveness of Transurban's overall remuneration framework in achieving its objectives.
- Considering the outcome of the annual security holder vote on the adoption of the remuneration report when reviewing Transurban's remuneration policies and practices.

6.4 Remuneration disclosures and approvals

- Reviewing the annual remuneration report to ensure it is consistent with the information known to the Committee, and appropriately reflects the decisions of the Committee and the Board and the outcomes of those decisions, and recommending the report to the Board for inclusion in the annual report.
- Satisfying itself that Transurban's remuneration-related disclosures, including the annual remuneration report, satisfy applicable governance, accounting and legal requirements.

6.5 Incentive plans

- Reviewing and making recommendations to the Board regarding the establishment of any new, and the material amendment of the terms of any existing, incentive plans for employees including, but not limited to, equity-based plans.
- Exercising all powers, authorities and discretions relating to Transurban's incentive plans that are delegated to it by the Board and, in certain circumstances, making offers to employees under those plans.

6.6 Programs to optimise the contributions of Human Resources

- Review and make recommendations to the Board regarding major changes and developments in or to management programs to optimise the contributions of Transurban's human resources to support and further corporate objectives, particularly relating to:
  - succession and development planning;
  - attraction, recruitment and retention;
  - performance management;
  - gender pay equity;
  - diversity; and
  - overall culture and engagement.

6.7 Other matters

- Reviewing the following matters, as required, and in doing so considering whether any significant matters should be brought to the attention of the Board:
  - superannuation arrangements;
  - indemnity and insurance arrangements for certain nominated officers;
  - human resourcing trends and metrics; and
  - other relevant matters identified from time to time, or requested by the Board.

7. Review

The Committee will, at least once each year, undertake an evaluation of its performance and effectiveness, and review its membership and this Charter to determine its adequacy for current circumstances, and make recommendations to the Board.

The Committee will consider and review the report of the Committee's membership, authority, responsibilities and discharge of those responsibilities for inclusion in Transurban's annual report.

The Committee will keep itself appraised of the latest developments, policies and trends in remuneration matters and will seek external input as appropriate to ensure that Transurban's remuneration practices are contemporary.

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