



Private & Confidential

14 July 2016

Kevin Watters
 [REDACTED]
 Bellevue Hill NSW 2023

Offer of Employment

Dear Kevin,

We have pleasure in confirming our offer of employment as Project Engineer on the terms and conditions of employment described in this offer letter and the attached schedules.

You will be employed on a full time basis by Downer EDI Works Pty Ltd and will report directly to Ian Wrightson, in their role as Construction Manager. Your employment will commence on 1 August 2016, or a mutually agreed date, and will be based in Gladesville. Your remuneration at the time of commencement and other terms are specified in the attached schedules together with the attached Fair Work Information Statement.

Schedule A	Remuneration and Discretionary Benefits
Schedule B	Downer Standard Terms and Conditions of Employment
Schedule C	Indicative Position Responsibilities

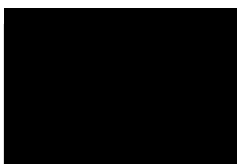
This offer constitutes the entire agreement between you and Downer and supersedes all previous representations, negotiations, commitments and communications, either verbal or written.

In order to confirm your acceptance of this offer of employment, please click on the *Accept* button within two (2) weeks of the date of this letter. If we do not receive your acceptance of employment within this timeframe, this offer will lapse or may be withdrawn. Upon acceptance, this offer of employment will constitute a contract of employment.

Please contact Paul Kazoullis on 07 3249 0137 should you have any queries.

We believe that you will be a significant and valued member of Downer and look forward to welcoming you to the team.

Yours sincerely,



Mark Mackay
EGM – Infrastructure Projects Division

Schedule A

Remuneration and Discretionary Benefits

The details of your Total Remuneration Package (TRP) are shown below:

Name: Kevin Watters

Hours of work: Your nominal hours of work will be 38 hours per week. However, you may be required to work reasonable additional hours to meet the requirements of your position. Your remuneration package compensates you for any additional hours that you may work.

Remuneration Package

Component	Details
Total Remuneration Package (TRP)	\$142,350.00

Your TRP will be paid monthly or such other frequency as determined by Downer via electronic deposit to your nominated financial institution that is acceptable to Downer. Downer will deduct and withhold all amounts necessary for Downer to comply with its taxation obligations under taxation legislation or other legal responsibility.

Your TRP will be reviewed annually with your manager. Any increase to your remuneration will be at the sole discretion of Downer. Any decision to increase your remuneration will take into account your performance, the performance of the business and the prevailing economic climate at the time and any expected conditions in the future. Unless agreed otherwise, any adjustment will apply from the commencement of the next review cycle year. The timing of the review year may be varied at Downer's sole discretion.

Inclusion in the remuneration review process requires employees to have at least six (6) months continuous employment with Downer before they become eligible for review.

Superannuation

Your TRP includes superannuation contributions. These contributions will be calculated at the minimum rate/ percentage as prescribed by prevailing legislation at the relevant point in time (the Superannuation Guarantee (SG) Contribution Rate or Maximum Contribution Base).

You may vary the pre-tax Salary Sacrifice superannuation amount by completing the Voluntary Superannuation Contribution Request that is available on the Intranet and your base salary will be adjusted to reflect any change. Variation can be made provided:

- that the amount is not less than the SG contribution that Downer is required to pay on ordinary time earnings; and
- that the total employer contributions (SG contribution + Salary sacrifice) must not exceed the limits provided by the ATO Concessional Contributions Cap.

Varying your pre-tax superannuation contributions is a matter of individual choice about which Downer makes no recommendation and gives no warranty. It is recommended that you should take financial advice as to your own circumstances and the appropriate level of additional pre-tax contributions you may choose to make, if any.

You are eligible to choose your own superannuation fund. This means that you will be able to choose any complying superannuation fund or retirement savings account for your superannuation contributions.

If you want Downer to make contributions to a complying superannuation fund of your choice, you should complete a Standard Choice Form which will be provided. If you do not

choose a fund, Downer will make contributions to a fund chosen by Downer as the default fund. However, should you wish to make a choice at some future date, you will be able to do so.

Remuneration Packaging

Subject to the approval of Downer, and in accordance with Downer policy, you may elect to take the TRP as a combination of base salary, superannuation contributions and non-cash benefits.

At your request, or as determined by Downer, Downer may alter the components of your TRP, subject to the following conditions:

- the cost to Downer of providing the TRP must remain the same; and
- the superannuation component of TRP must not be less than the minimum SG Contribution or greater than the amount of the Concessional Contributions Cap; and
- any alteration must be in accordance with Downer policy.

Downer may deduct or withhold from your TRP, an amount equal to any fringe benefits tax or other tax payable including luxury lease adjustment by Downer (other than payroll tax) on any component of your TRP.

Discretionary Benefits

For eligible employees, Downer may offer additional benefits such as study assistance, additional paid parental leave and discounted benefits. The ongoing provision of these benefits or any additional benefits will be at the sole discretion of Downer and/ or in accordance with Downer policy, which Downer may amend or vary at its sole discretion from time to time. Also from time to time Downer is able to negotiate discounts for staff on products and services from third parties. These benefits at the time of your employment will be outlined in the policies and procedures of the business.

Tool of Trade Vehicle

You are being appointed to a position which currently requires a 'Tool of Trade' vehicle to effectively fulfil the position requirements. This vehicle will be fully maintained by Downer.

You must comply with all relevant Downer policies and procedures in relation to operating and maintaining the vehicle including completion of a log book (12 week minimum) and FBT declarations as required.

The provision of this vehicle specifically relates to the position at Gladesville referred to in this offer of employment. If you move to another position or Downer determines that the position no longer requires a vehicle, this benefit will no longer be provided.

Schedule B

Downer Standard Terms and Conditions of Employment

This document sets out the standard terms and conditions of your employment with Downer. The offer letter and any other schedules form part of your contract of employment.

1. Downer and Employing Company

References to "Downer" in the offer letter and attached schedules cover Downer EDI Limited and all subsidiary companies. Your contract of employment is with a particular legal entity, referred to in the offer letter and that legal entity is a subsidiary of Downer EDI Limited. Downer may transfer your employment to another subsidiary of Downer EDI Limited at its sole discretion without affecting the terms of your contract of employment or giving rise to any entitlement for additional reward or compensation.

2. Engagement

Your employment will continue under the terms of this contract of employment until terminated in accordance with [Schedule B, clause 18](#).

3. Probationary period

You will serve an initial probationary period of six (6) months. During the probationary period, either party may terminate the employment by providing one week's notice or, in the case of Downer terminating the employment, the equivalent pay in lieu of notice.

4. Duties and Responsibilities

You shall use your best endeavours to perform your duties and carry out your responsibilities to deliver the expected outcomes set out in the attached Indicative Position Responsibilities shown in [Schedule C](#) and any updated position description.

Your position description, duties and responsibilities may be subject to change as may be reasonably required by Downer from time to time. You may also be required to perform work for other companies within Downer for which you have the relevant skills, qualifications, training and experience. In the event of such changes, the terms and conditions of employment will continue unchanged.

5. Reporting and Location of Employment

You will report to the position set out in your offer letter and will work under the direction of that position or such other position appointed by Downer from time to time.

You will be based at the location set out in your offer letter, however Downer may change the location of your employment and may also require you to travel and stay away from your usual work location in order to perform your work. Downer reserves the right to relocate its operations to another reasonable location. In the event of changes in location, the terms and conditions of employment will continue unchanged.

6. Right to Work in Australia

At all times during your employment with Downer you must maintain the right to work in Australia as an essential term of your contract of employment. Downer and/ or its contracted immigration service provider will conduct checks of your Australian immigration status and work rights at the time of recruitment, and at any time during the course of your employment with Downer.

You must tell Downer as soon as is practicable if there is any circumstances which give rise to doubts about your right to work in Australia. You will need to provide copies of relevant documents, such as passport or visa, upon the request of Downer.

7. Your licences and qualifications

It is a condition of employment that you hold for all of the time that you are employed by Downer all licences, registrations and/ or qualifications that are required for you to perform the duties of your position. It is your responsibility to advise Downer if any licence or qualification you are required to hold is suspended, cancelled or lapses. You will need to provide copies of such licences, registrations and/ or qualifications upon the request of Downer.

8. Policies

You agree to abide by all Downer policies and Downer Standards of Business Conduct as replaced, amended or varied from time to time and are available on the Downer Intranet or through your HR Representative.

You acknowledge the importance of abiding by all Downer policies and that compliance with all Downer policies is an essential term of your contract of employment and that it is your responsibility to take such steps that are required to periodically familiarise yourself with these policies on an ongoing basis.

9. Occupational Health, Safety & Environment

Strong performance in the areas of safety and environment (referred to as Zero Harm) are critical to Downer's success. In particular you agree to:

- abide by the Downer Cardinal Rules;
- tell Downer as soon as is practicable, if you are not fully fit to perform your duties for any reason at any time. You also agree to undergo any medical or other assessment which Downer requires for assessing your fitness for work;
- submit to testing for alcohol or substance use at Downer's request from time to time; and
- wear all necessary personal protective equipment (PPE) to enable you to perform the work required in a manner that protects your health and safety.

10. Leave entitlements

You are entitled to leave in accordance with the National Employment Standards (NES) as set out in the Fair Work Act 2009 (Cth) (FW Act). Details of leave entitlements will be consistent with Downer leave policies and procedures, as replaced, amended or varied from time to time.

Leave entitlements include:

- Annual Leave - 20 days for each twelve-month period of service. Leave is accrued in accordance with the FW Act and should be taken within one year of falling due, as agreed with your manager.

- Long Service Leave - in accordance with applicable state legislation.
- Personal/ Carer's Leave - 10 days for each twelve-month period of service.
- Compassionate Leave - two days for each permissible occasion.
- Parental Leave - in line with the provisions of Downer procedures and the FW Act.

Refer to the Downer leave management procedures for further information. You acknowledge that from time to time Downer may direct you to take accumulated leave, including but not limited to mandatory leave periods over the Christmas/ New Year period.

11. Privacy

Throughout your employment, Downer may collect personal information for inclusion in tender proposals to potential clients to secure business. By accepting this contract of employment you are consenting to the provision of your personal information for this purpose.

You are required to observe and uphold all of Downer's privacy policies and procedures as implemented, replaced, amended or varied from time to time.

Collection, storage, access to and dissemination of employee personal information will be in accordance with privacy legislation.

12. Discretionary Benefits

Downer may at its absolute discretion provide you with additional Discretionary Benefits as set out in [Schedule A](#). Discretionary Benefits offered are available on Downer's intranet and may be amended from time to time.

Downer may refuse to provide to you, or cease providing you, a Discretionary Benefit, or change the basis on which it provides a Discretionary Benefit to you from time to time at its sole discretion and in such circumstances you agree that there will be no claim by you for compensation.

Some discretionary benefits require an annual Fringe Benefits Tax (FBT) statutory declaration to be completed at the end of the FBT year, 31 March, or at other times as required, in order to comply with Downer and Australian Taxation Office reporting requirements.

13. Conflict of Interest

During your employment with Downer, you must not be involved with or have a financial interest (other than an immaterial investment shareholding) in any business or enterprise that:

- competes with;
- is a customer of; or supplies goods or services to Downer, including subsidiaries.

If you are unsure whether a conflict of interest may exist, it is your responsibility to notify your manager and obtain clarification as to whether you may be involved.

14. Confidential Information

During your employment you may become aware of Confidential Information relating to Downer's business including but not limited to client lists, trade secrets, client details and pricing structures.

You will not, either during or after your employment, use or disclose to any person any Confidential Information (whether in physical or electronic form), except:

- a) in the performance of your responsibilities and duties;
- b) if you are compelled by law and have used every lawful means available to you to prevent disclosure; or
- c) if you have been authorised in writing by Downer to do so.

You shall not, either during or after your employment, without the prior consent of the Downer, directly or indirectly divulge to any person or use the Confidential Information for your own or another's benefit. You are required to return all Confidential Information to Downer:

- upon the termination of your employment; or
- at any time on the request of Downer or its nominee.

Confidential Information for the purposes of this clause means all information (whether or not it is described as confidential) in any form or medium concerning any past, present or future business, operations or affairs of Downer, or of any customer of Downer including, without limitation:

- i. all technical or non-technical data, formulae, patterns, programs, devices, methods, techniques, plans, drawings, models and processes, source and object code, software and computer records;
- ii. all business and marketing plans and projections, details of agreements and arrangements with third parties, and customer and supplier information and lists;
- iii. all financial information, pricing schedules and structures, product margins, remuneration details and investment outlays;
- iv. all information concerning any employee, customer, contractor or agent of the Group;
- v. the Group and Divisional policies and procedures; and
- vi. all information contained in this document.

but excludes information that has come into the public domain other than by a breach of this document.

15. Persons Dealing with Downer

You shall not solicit, canvass, approach or accept any approach from any person or entity who was during the previous six (6) months of your employment a customer, supplier, distributor or licensee of or to Downer, with a view to establishing a relationship with or obtaining the custom of that person or entity with a business that is in competition with Downer.

16. Intellectual Property

You acknowledge and agree that Intellectual Property developed, created, enhanced, applied or conceived by you during the term of your employment which relates in any way to the business of Downer and will be the sole and exclusive property of Downer.

- a) You further acknowledge and agree that full right, title and interest in and to all Intellectual Property referred to in this clause which is developed, created or

conceived in the course and scope of your employment will vest in Downer immediately on creation; and

- b) You promptly shall:
- (i) notify Downer of all Intellectual Property referred to in this clause other than copyright works contained in Downer's official records; and
 - (ii) execute all documents and do all things reasonably required, both during and after your employment, to vest or assign or evidence the vesting of full right, title and interest in the Intellectual Property in and to Downer; and enable Downer to protect the Intellectual Property by registration.
- c) You grant Downer (and Downer's licensees, successors in title and authorised agents) consent to do or omit to do any act which would otherwise infringe your moral rights under the Copyright Act 1968 (Cth) in relation to all copyright works being part of the Intellectual Property referred to in this clause.

Intellectual Property for the purposes of this clause covers all present and future rights conferred by law in or in relation to copyright, trade marks, designs, patents, circuit layouts, plant varieties, business and domain names, inventions and confidential information, know-how and other results of intellectual activity in the industrial, commercial, scientific, literary or artistic fields whether or not registrable, registered or patentable.

These rights include:

- i. all rights in all applications to register these rights;
- ii. all renewals and extensions of these rights; and
- iii. all rights in the nature of these rights, such as Moral Rights.

17. Surveillance

From the date of the commencement of your employment and on an ongoing basis your computer use, including your internet and email use will be subject to continuous monitoring through the use of software, in accordance with Downer policy and relevant legislation.

You may also be subject to camera surveillance from the date of your commencement of employment, through visible cameras while you are on Downer's premises.

18. Termination of Employment

Your employment may be terminated as follows:

- a) *Termination on Notice* – your employment may be terminated by either party giving one (1) month's notice in writing or Downer may elect to make a payment in lieu of all or part of the notice period, or as required by law.
- b) *Summary Dismissal* – Downer may terminate your employment without notice if it determines that you have engaged in misconduct, incompetence, or other behaviour that, in Downer's opinion, is prejudicial to its interests or constitutes behaviour that may bring Downer's reputation into disrepute.

19. Downer Property and Debts to Downer

All equipment issued to you in connection with your employment remains the property of Downer. You will report any loss of equipment immediately to your manager.

You agree to take good care of any Downer documents and/ or equipment which may from time to time be within your custody or control during your time of employment with Downer.

Upon termination of your employment or at the request of Downer at any time, you will immediately return to Downer any property belonging to Downer or to any of Downer's clients that are in your possession or control, such as motor vehicles, keys, fuel cards, documents, manuals, information technology & communication equipment, and access cards.

Upon termination of employment, you will be required to authorise Downer to set off from your final entitlements any loans, debts, overpayments or other liabilities that may be owed to Downer by you. This may include amounts arising from failure to provide a FBT declaration.

20. Severability

If any provision or part of a provision in this contract of employment is or becomes unenforceable, illegal or void in any jurisdiction, that provision:

- a) is severable;
- b) will be ineffective and severable in that jurisdiction to the extent of the illegality or unenforceability;
- c) will not invalidate the remaining provisions of this contract of employment; and
- d) will not affect the validity or enforceability of that provision in any other jurisdiction.

21. General

The terms and conditions of your contract of employment are offered on a confidential basis and should be treated as such.

Schedule C

Indicative Position Responsibilities

The indicative responsibilities of the position are as agreed between you and your manager from time to time, which will initially include responsibilities in the **attached position description**.