

# **Remuneration and Nomination Committee Charter**

**IPGA Limited  
ACN 126 188 538**

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# Remuneration and Nomination Committee Charter

## 1. INTRODUCTION

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This is the charter of the Remuneration Committee of the Board of Directors of IPGA Limited (**IPGA**). The charter governs the procedures for the Remuneration Committee and outlines the role and duties of the Committee.

The Remuneration & Nomination Committee assists the Board by ensuring that the appropriate people, and people-related strategies, policies and procedures are in place to support IPGA Limited vision and values, and its strategic and financial goals.

To this end and on behalf of the Board, the Remuneration & Nomination Committee ensures that IPGA Limited:

- Has a human resources strategy that is aligned to the overall business strategy and which supports the Company's vision and values;
- Has remuneration policies and practices that are observed, and that enable the Company to attract and retain people at all levels who will create value for shareholders;
- Fairly and responsibly rewards directors, management and staff, taking into consideration the performance of the Company, the creation of value for shareholders, the performance of the individual and the external remuneration environment; and
- Plans and implements the development and succession of management and staff.

## 2. REMUNERATION COMMITTEE

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### 2.1 Role of Committee

The Committee is a committee of the Board. Its role is to review and make recommendations to the Board in respect of:

- IPGA's remuneration policies and strategies;
- Executive remuneration structure, levels and performance criteria for the Executive Chairman, CEO and Executive team;
- Any executive incentive plan;
- The remuneration of non-executive directors;
- Retention, performance assessment and termination policies and procedures for, executive directors, the Executive Chairman, the CEO and Executive Team;
- Establishment and oversight of employee and executive share plans and share option plans;
- Superannuation arrangements in compliance with local regulatory and statutory requirements;
- The disclosure of remuneration in IPGA's publications, including ASX filings and the Annual Report;
- The most appropriate size and composition of the Board;
- Criteria for selection of directors, having regard to the need for breadth and depth of skills and experience on the Board;
- A process for selecting new directors.

## **2.2 Additional Functions of Committee**

- In addition to the purpose described above, the Board may delegate additional functions to the Committee from time to time. This may include, but not be limited to :-
- Review of Group-wide remuneration and incentive plans;
- Review of performance management and evaluation programs and procedures; and
- Review of management development programs.

## **2.3 Composition**

### **2.3.1 Number of Members and Quorum**

The Committee should consist of a minimum of 3 directors, a majority of whom should be independent directors.

The quorum for all meetings of the Committee will be 2 Committee members.

### **2.3.2 Chairman**

The Board will appoint an independent director as Chairman of the Committee. In the absence of the Committee Chairman, the members will elect one of their number as Chairman for that meeting.

### **2.3.3 Removal or resignation**

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee and the Board will appoint a successor.

### **2.3.4 Committee may invite**

The Committee may invite any member of the executive management or other individual to attend meetings of the Committee.

### **2.3.5 Secretary**

The Company Secretary will be the secretary of the Committee.

## **2.4 Frequency and Procedure for Calling of Meetings etc**

The Committee will meet twice annually or more regularly if necessary.

The Secretary or any Committee member may call a meeting of the Committee. Preferably one week prior to the date of a meeting a notice confirming the date, time, venue and agenda of the meeting will be distributed to each Committee member (with a copy to each Board member).

The Secretary will keep minutes of each meeting and the resolutions of the Committee. After the Committee Chairman has approved the minutes they are to be distributed to all Committee members.

The Chairman of the Committee will report to the Board following each meeting.

## **2.5 Professional Advice**

The Committee may request management or a remuneration consultant to assist with the provision of necessary information.

### **3. DUTIES AND RESPONSIBILITIES**

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In order to fulfil its responsibilities to the Board the Committee will:

#### **3.1 IPGA'S Remuneration Policy and Strategy**

- Review and make recommendations to the Board regarding IPGA's remuneration policy including the design of new equity plans or execute cash-based incentive plans, as well as employee share ownership, superannuation and other non-financial benefits;
- Maintain the contemporary relevance of such policy and strategy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market;
- Oversee the implementation of such remuneration policy and strategy within IPGA.

#### **3.2 Executive Director and Senior Management Remuneration**

- Make recommendations to the Board regarding the remuneration of executive directors, the Executive Chairman, the CEO and Executive Team;
- Make recommendations to the Board on specific superannuation or retirement arrangements for executive directors, the Executive Chairman and direct reports to the Executive Chairman;
- Review and make recommendations to the Board regarding any changes to the remuneration or contract terms of the Executive Chairman and CEO, including all performance related matters;
- Seek independent, market-based remuneration benchmark annually to ensure competitive levels of benefit.

#### **3.3 Executive Incentive Plans**

- Make recommendations to the Board regarding the design of all executive incentive plans.

#### **3.4 Non-executive Director Remuneration**

- Make recommendations to the Board regarding the framework and level of remuneration for non-executive directors, consistent with the objective of retaining and attracting suitable candidates for the Board while maintaining a level commensurate with boards of a similar size and type.

#### **3.5 Performance Measurement Policies and Procedures**

- Ensure that the recommended remuneration of the Executive Chairman, executive directors, the CEO and Executive Team comprises a suitable balance between fixed and incentive pay, reflecting short and long-term objectives relevant to the Company's business objectives;
- Make recommendations to the Board regarding performance management policies and procedures, consistent with incentive-based remuneration practices, for the Executive Chairman, executive directors, the CEO and Executive Team.

### 3.6 Termination Policies and Procedures

- Make recommendations to the Board regarding termination policies for the Executive Chairman, executive directors, the CEO and Executive Team.

### 3.7 Equity Based Plans

- Make recommendations to the Board to ensure the adequacy and contemporary relevance of equity base and share option plans.
- Ensure that equity base and share option plans operate within their stated limits and within the limits prescribed by ASX Listing Rules.

### 3.8 Disclosure

- Review all public disclosures to ensure that both the levels and process of setting the remuneration for directors, the Executive Chairman and senior executives are to be fully and fairly reported as required by law and consistent with common practice.

## **4. RELATED PARTY TRANSACTIONS (HR RELATED TRANSACTIONS)**

In relation to transactions involving a financial benefit to a related party:

- (a) Directors and managers of IPGA, its subsidiaries and related entities are required to notify the company secretary of all such transactions;
- (b) The Secretary will inform the Committee and Board of all notices received; and
- (c) Only the Board may approve transactions where the financial benefit to the related party is \$10,000 or more.

Note: For the purposes of this policy:

- (a) A related party is:
  - a director or manager of IPGA or of any of its subsidiary or associated companies;
  - a spouse or de facto spouse of a director or manager of any of these companies;
  - parents and children of directors and managers of any of these companies;
  - spouses and de facto spouses of parents and children of directors and managers of any of these companies;
  - an entity controlled by any of the persons listed above;
  - an entity that does business with any of the persons or entities listed above if the entity believes that by doing business with IPGA or a subsidiary or associated company a financial benefit will accrue to one of the persons or entities listed above.
- (b) Examples of transactions *giving a financial benefit to a related party* include:
  - providing finance or property to a related party;

- employing a relative of a director or manager;
- leasing an asset from or to a related party;
- supplying services to or receiving services from a related party;
- issuing shares or granting options to a related party;
- assuming or releasing an obligation of a related party.

## **5. REVIEW**

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The Chairman of the Committee will conduct an annual review of this Charter to ensure that it continues to provide an effective and efficient mechanism for determining remuneration policy. Any proposed amendments to the Charter that stem from such a review must be submitted to the Board for approval.