Approved by the Board: 21 August 2017
1. POLICY PURPOSE

IDP’s Board, Executive and Employee Remuneration Policy’s purpose is to establish clear and guiding principles for decisions around employee and executive remuneration that ensure fair, competitive and appropriate pay for the markets in which IDP operates.

IDP’s goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate, retain and fairly reward senior executives and other key employees and is consistent with contemporary Corporate Governance standards.

2. SCOPE

This policy applies to all employees and Directors within IDP’s global business operations.

3. GOVERNANCE

Effective governance ensures that the Board, Executive and Employee Remuneration Policy is translated into effective decisions that are consistent with the intentions of the board of Directors of IDP (Board).

The Board approves the Board, Executive and Employee Remuneration Policy, all remuneration budgets including the quantum of short term incentive (STI) and long term incentive (LTI), the design of all executive KMP remuneration and incentive programs and the quantum of remuneration for the Board, the CEO and senior executives.

The Remuneration Committee oversees the implementation of these policies supported by the People function and independent external advice as required.

4. USE OF REMUNERATION CONSULTANTS

IDP Education Limited maintains a Policy which governs the procedure for procuring advice relating to KMP (Board or executive) remuneration in accordance the Corporations Act requirements. This will include a summary of the procedures for engagement of the remuneration consultant, the provision of information to the remuneration consultant and the communication of remuneration recommendations.

5. NON-EXECUTIVE DIRECTOR REMUNERATION

In line with the ASX Corporate Governance Guidelines IDP adopts the following position:

- Non-executive Directors will be remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity;
- Non-executive Directors will not participate in schemes designed for the remuneration of executives;
- Non-executive Directors will not receive options or bonus payments except in exceptional circumstances and subject to Board approval; and
- Non-executive Directors will not be provided with retirement benefits other than statutory superannuation.

The aggregate sum available to remunerate non-executive Directors is set at AUD $1.5 million. Shareholders are to approve the total non-executive Director fee pool at the Annual General Meeting.

Superannuation is included in the total Director fees paid.

Equity benefits, if any, received will not be performance based.

Non-executive Directors will receive reimbursement for all costs directly related to the performance of their duties on behalf of IDP.
The Board will review non-executive Director remuneration periodically to ensure remuneration levels are maintained in line with market expectations.

6. POLICY DETAILS

6.1 Remuneration Policy Statement - Executives

Consistent with contemporary Corporate Governance Standards IDP’s Board, Executive and Employee Remuneration Policy aims to set executive (and other employee) remuneration that is fair, competitive and appropriate for the markets in which it operates and is mindful of internal relativities.

IDP will aim to ensure that the mix and balance of remuneration is appropriate to reward fairly, attract, motivate and retain senior executives and other key employees.

Specific objectives of this policy include the following:

- Provide a fair and competitive (internal and external) fixed annual remuneration for all positions under transparent policies and review procedures;
- Link executive rewards to shareholder value accretion by providing appropriate equity (or equivalent) incentives to selected senior executives and employees linked to long-term company performance and core values;
- Provide competitive total rewards to attract and retain appropriately skilled employees and executives;
- Have a meaningful portion of remuneration ‘at risk’, dependent upon meeting pre-determined performance benchmarks, both short (annual) and long term (3+ years); and
- Establishing appropriate, demanding performance hurdles for any executive equity incentive remuneration.

This broad remuneration policy will be executed by IDP under a Total Targeted Remuneration (TTR) framework. Appropriate remuneration policy settings will be achieved by consistently applying a clear remuneration strategy directed at supporting the Board approved business strategy with appropriate and flexible processes, policies and procedures established by the board from time to time.

Executive remuneration will consist of fixed and ‘at risk’ remuneration.

Fixed remuneration will consist of base salary, superannuation (or equivalent), other benefits and allowances.

‘At risk’ or variable remuneration will consist of entitlements received under either IDP’s approved STI and/or IDP’s approved LTI scheme.

IDP’s remuneration strategy and objectives for IDP executive Key Management Personnel (KMP) is summarised in the following table.
IDP Executive KMP Remuneration Objectives

- Shareholder value creation through equity components
- An appropriate balance of ‘fixed’ and ‘at risk’ components
- Creation of reward differentiation to drive performance culture and behaviours
- Attract, motivate and retain executive talent required at stage of development

**Total Annual Remuneration (TAR) or Total Target Remuneration (TTR)**
is set by reference to relevant market benchmarks

<table>
<thead>
<tr>
<th>Fixed</th>
<th>At Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Annual Remuneration (FAR)</strong></td>
<td><strong>Short Term Incentives (STI)</strong></td>
</tr>
<tr>
<td>Fixed remuneration is set based on relevant market relativities, reflecting responsibilities, performance, qualifications, experience and geographic location</td>
<td>STI performance criteria are set by reference to Group and Business Unit performance targets appropriate to the specific position</td>
</tr>
</tbody>
</table>

**Remuneration will be delivered as:**

| Base salary plus any allowances (includes Superannuation for Australian Executives) | Paid, as cash, on completion of the relevant performance period. Deferral of a portion of the STI into equity (performance rights) may be considered | Awarded as equity and vest (or not) at the end of the performance period |

**Strategic intent and market positioning**

| FAR in the early stages will be positioned between the median and 75th percentile (+/-) compared to relevant market based data considering expertise and performance in the role | Performance incentive is directed to achieving key strategic or financial targets. FAR and STI opportunity is intended to be positioned in the 3rd quartile of the relevant benchmark group | LTI is intended to align executive KMP with shareholder interests. LTI opportunity should ideally be positioned at or about the top of the 3rd quartile |

**Total Annual Remuneration (TAR) or Total Target Remuneration (TTR)**

TAR or TTR is intended to be positioned in the 3rd quartile compared to relevant market based comparisons. 4th quartile TAR or TTR may be derived if demonstrable out performance is achieved by IDP.
## 6.2 Executive Remuneration Structure and Strategic Intention

IDP’s executive remuneration structure (strategic intention) is set out below.

<table>
<thead>
<tr>
<th>Position</th>
<th>FAR %</th>
<th>STI%</th>
<th>LTI%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>100</td>
<td>up to 60</td>
<td>up to 60</td>
</tr>
<tr>
<td>Tier 2 Corporate Executives</td>
<td>100</td>
<td>up to 50</td>
<td>up to 45</td>
</tr>
<tr>
<td>Tier 2 Regional Executives*</td>
<td>100</td>
<td>up to 60</td>
<td>up to 60</td>
</tr>
</tbody>
</table>

* Hotcourses was acquired in February 2017 and remuneration structure will be aligned over time as appropriate

The remuneration strategy intention will be subject to change from time to time and endorsed by the Board (and the Remuneration Committee) each year.

### 6.3 Setting Remuneration Levels

IDP participates in remuneration surveys or seeks relevant benchmarks from time to time to manage internal and external remuneration relativities.

An assessment of IDP’s remuneration positioning across all levels of the organisation should be updated each year in accordance with the Board approved remuneration strategy.

The table below applied logically, can be used as a guide to IDP’s remuneration setting process.

<table>
<thead>
<tr>
<th>Relative Positioning</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quartile</td>
<td>Inexperienced in the position but coping, or an experienced employee exhibiting performance gaps.</td>
</tr>
<tr>
<td>2nd Quartile</td>
<td>Experienced in the position, usually with a minimum of two years’ service. In the competent range, but capable of further development or improvement in the role.</td>
</tr>
<tr>
<td>Mid-point (Median)</td>
<td>Fully competent executive or employee making a consistent and sound contribution, coping with and sometimes exceeding all the demands of the position.</td>
</tr>
<tr>
<td>3rd Quartile</td>
<td>Very experienced executive, exhibiting demonstrably superior performance. External appointees would often be recruited at this level. That is between the median and 75th percentile. The majority of senior executives would be likely to be paid at the 62.5th percentile, that is the middle of the 3rd quartile.</td>
</tr>
<tr>
<td>4th Quartile</td>
<td>Only <strong>outstanding</strong> and <strong>strategically critical</strong> executives would be remunerated in the 4th quartile. Care should be taken not to duplicate or inflate TAR through STI or LTI at this level. Less than 10% of executives likely to be paid at this level.</td>
</tr>
</tbody>
</table>

### 6.4 Short Term Incentives

IDP has target based STI plans in place for all executive KMP.

**Purpose**

The IDP STI scheme is designed to reward executives (and other selected employees) who meet the performance criteria set in respect of their position, each year to support and drive IDP’s short term performance.
Eligibility
Eligibility is determined by the Board and confirmed by an annual invitation.

Performance criteria
Performance criteria set for STI plans will reflect fundamental strategic or performance objectives determined each year to ensure a focussed and successful performance incentive program.

Weightings
Key areas of influence and a goal for weighting is expected to align with the illustration below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Group (%)</th>
<th>Business Unit/ Region (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Tier 2 Corporate Executives</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Tier 2 Regional Executives*</td>
<td>75</td>
<td>25</td>
</tr>
</tbody>
</table>

* Hotcourses was acquired in February 2017 and remuneration structure will be aligned over time as appropriate

Key performance criteria are weighted to their relative importance with appropriate threshold, budget and target levels set individually.

For non-financial performance measures a rating guide is determined as follows:

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Satisfactory</td>
<td>0</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>15</td>
</tr>
<tr>
<td>Good</td>
<td>50</td>
</tr>
<tr>
<td>Very Good</td>
<td>100</td>
</tr>
<tr>
<td>Outstanding</td>
<td>125</td>
</tr>
</tbody>
</table>

Progressive performance measures will be applied with an award determination taking into account relative performance.

<table>
<thead>
<tr>
<th>STI Performance Rating</th>
<th>Percentage of Budget</th>
<th>Maximum % STI to be awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>85 - 90%</td>
<td>25 - 50%</td>
</tr>
<tr>
<td>Budget</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Stretch (Target)</td>
<td>115 - 125%+</td>
<td>120 – 150%+</td>
</tr>
</tbody>
</table>

STI determination
Once the performance and service results are determined the bonus can be awarded.

The STI incentive payment will be calculated as follows:

\[
\text{STI bonus} = ((A \times B) \times (C + D + E)) + F, \text{ where;}
\]

(A) STI Opportunity (% of TFR as pre-determined)
(B) Affordability factor based on IDP’s achievement against financial target set (if any). That is has IDP achieved the ‘performance gate’ or should a discount factor apply?
(C) KPM 1 \times \text{Weighting \% \times performance result (Threshold/ Budget/ Target)}
(D) KPM 2 \times \text{Weighting \% \times performance result (Threshold/ Budget/ Target)}
STI deferral
In accordance with contemporary executive KMP remuneration trends an amount of any STI payment may be subject to additional deferral (time vesting). The amount of any STI deferral and the specific terms of the deferral will be advised to STI participants before the beginning of the STI measurement period.

The STI deferral amount will be no more than 50% of the STI award and the deferral period will be no more than two (2) years. Where possible the STI deferral amount will be awarded in service rights under the IDP Education Employee Incentive Plan.

6.5 Long Term Equity Incentive
A long term equity incentive plan called the IDP Education Employee Incentive Plan (IDIP) was established in 2015 to assist IDP to retain and reward KMP and senior executives appropriately.

Participation in the LTI program is extended to KMP and other senior executives with the Board retaining the discretion to extend the offer to other key selected employees.

The Board retains complete discretion on whether to make an LTI grant from year to year and on what terms bar where a contractual entitlement has been established prior to the implementation of this Policy.

LTI offers will be approved by the Board each year and the offer terms may vary from year to year or individual to individual, but will typically include:

- Date of grant;
- Type of equity award (performance rights, options, shares or other);
- The exercise price or issue price;
- Consideration, if any;
- Allocation value and number;
- Performance conditions;
- Service conditions;
- Other conditions or restrictions;
- Hedging restrictions; and
- Termination of employment conditions.

Any LTI plan offers will be supported by appropriate complying documentation.

6.6 Good Leaver, Bad Leaver Policy in Respect of Unvested Equity Awards
The consequence for Awards and Shares where a Participant ceases to be an Employee is as follows:

- in the case of a “Good Leaver”
  - where the cessation of employment is due to death of the employee, and the employee has been continuously employed with IDP (or any related body corporate) at least since 21 August 2017 up to and including the date of death, the Vesting Conditions and any restriction periods applicable to all or any of their Awards and Shares cease to apply; and
  - in all other cases of a “Good Leaver” (and regardless of whether the cessation of employment is due to death, permanent disablement, retirement, retrenchment or any other circumstances which the Board determines constitute a “Good Leaver” departure), unless otherwise expressly stated in an invitation the Board may, in its discretion, determine that some or all of the Participant’s Awards or Shares continue to
be subject to their Vesting Conditions or restriction periods (as the case may be) or that some or all of those Vesting Conditions or restrictions will be waived, and/or that some or all of the Participant's unvested Awards will lapse; and

- in the case of a "Bad Leaver", unless otherwise expressly stated in an invitation all unvested Awards would automatically lapse.

Additional circumstances resulting in the lapse or forfeiture of unvested Awards, will include where the Board determines that a Participant has:

- committed an act of fraud, defalcation or gross misconduct in relation to the affairs of the Company;
- hedged the value of, or entered into a derivative arrangement in respect of, unvested Awards;
- purported to dispose of, or grant any Security Interest, over an Award other than in accordance with the IDIP Rules; or
- application of any applicable Malus and Clawback Policy.

Notwithstanding the above, if the applicable IDIP Rules at the time of grant provided for a different treatment of Awards where a Participant ceases to be an Employee, then those IDIP Rules will apply to those Awards.

6.7 General employee equity participation

The Board supports the concept of general employee equity participation. Offers to eligible employees will be considered on an annual basis. The eligible participants, the level of the Company's contribution and the timing of offers will be subject to Remuneration Committee and Board approval each year.

6.8 Malus and Clawback Policy

Apply the Malus and Clawback Policy as may be applicable from time to time.

6.9 Recruitment Incentive

The Company defines a recruitment incentive as any payment that serves as an incentive to encourage a person to join the Company. This form of payment (including equity grants) will not be paid unless the incentive is approved appropriately in advance as set out below:

- Where a payment is under a total value of AUD$100,000 the Chairman of the Board and the Managing Director have delegated authority to approve the Incentive payment with the incentive to be reported to the next Remuneration Committee and Board meeting; and
- Where a payment exceeds a total value of AUD $100,000 it is to be approved prior to offer by the Remuneration Committee and the Board.

6.10 Out of cycle remuneration increases

Out of cycle or 'ad hoc' remuneration increases for any executive KMP will only be considered in special circumstances and must be approved by the Remuneration Committee and the Board in advance.

6.11 Minimum Shareholding Requirements

There is a voluntary minimum shareholding for KMP and senior executives under which they are expected to retain a shareholding in the Company to the value of 20% of FAR.

This minimum shareholding is expected to be achieved within a five year period from the later of:

- the date of the IPO (26 November 2015); or
the commencement date of employment / appointment (if an internal promotion) of any new Global Leadership Team members.

All dealings in Securities of IDP are subject to the provisions of the IDP Securities Trading Policy as amended from time to time.

6.12 Executive KMP employment agreements

All executive KMP will be required to enter into an individual employment agreement. The key terms of the agreements will include reference to the following, as a minimum.

- Position and duties, including any probationary periods
- Fixed Annual Remuneration (FAR) (Base salary and benefits, including superannuation or equivalent) and review procedures
- Sign-on fee, if any, and obligations in respect thereto
- STI opportunity and frequency of offer and review procedures
- LTI opportunity and frequency of offer and review procedures
- All allowances, out-of-pocket expense recovery procedures
- Tools of trade and equipment entitlement, including motor vehicle, mobile devices and personal computers
- Statutory and other leave entitlements (public holidays, annual leave, long service leave, compassionate leave, personal carer’s leave, maternity leave, parental leave (if any), community service leave, juror duty leave
- Restraint of trade terms, if any
- Intellectual property rights and power of attorney if applicable.
- Conflicts of interest, confidentiality, commissions
- Internet/Email/Computer/Mobile telephone protocols
- Corporate governance standards, regulatory or licensing requirements of position and expectations
- Continuing education requirements, if any
- Company policies (e.g. Dress Code, Sexual Harassment, Drugs and Alcohol, Behaviour and so on)
- Termination provisions, including the rights and entitlements of both the employer and employee in all reasonably foreseeable circumstances, including death, disability and redundancy including payment limits.
- Any other statutory or legal requirement relevant to industrial law or contract law in the relevant jurisdiction.

All executive KMP employee contracts will be reviewed on a regular basis by appropriately qualified advisers.

6.13 Remuneration Management - Approval and Review Cycle

The Board is responsible for reviewing and approving the Company’s overall remuneration strategy. IDP’s senior executive remuneration review and approval cycle is set out below.
<table>
<thead>
<tr>
<th>Month</th>
<th>Key Task / Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>August/ September</td>
<td>Remuneration Committee meeting to consider annual results, performance and incidental remuneration issues and make recommendation to the Board on STI and LTI Awards, if any, for KMP and other senior executives for the current performance period. Board, on receipt of audit clearance on annual results, to ratify STI and LTI Awards to the CEO and other executive KMP and senior executives for the year, if any. In addition to approve any equity offers for the next performance period for KMP and other senior executives. Remuneration Committee to review Board fees and any equity offers to Directors if required for the next performance period. Remuneration Committee to recommend STI, LTI and other equity offers and performance targets for next performance year for KMP and other senior executives to the Board. Recommend KMP and senior executive TAR increases, if any to the Board. Implement payroll adjustments (effective from 1 July) and all packaging arrangements for the new financial year.</td>
</tr>
<tr>
<td>February/ March</td>
<td>Undertake an annual review and update of the IDP remuneration strategy, as required.</td>
</tr>
<tr>
<td>June/July</td>
<td>Confirm performance appraisals outcomes for the current year. Obtain relevant feedback or survey data required. Undertake job evaluation requirements, if any.</td>
</tr>
</tbody>
</table>

7. MONITORING, EVALUATION AND REVIEW

This policy must be reviewed annually from the date the policy was initially released or last reviewed.

8. DEFINITIONS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDP</td>
<td>IDP Education Limited</td>
</tr>
<tr>
<td>TTR</td>
<td>Total Targeted Reward</td>
</tr>
<tr>
<td>FAR</td>
<td>Fixed Annual Remuneration</td>
</tr>
<tr>
<td>TAR</td>
<td>Total Annual Remuneration</td>
</tr>
<tr>
<td>STI</td>
<td>Short Term Incentive</td>
</tr>
<tr>
<td>LTI</td>
<td>Long Term Incentive</td>
</tr>
<tr>
<td>KMP</td>
<td>Executive Key Management Personnel</td>
</tr>
<tr>
<td>ESS</td>
<td>Employee Share Scheme</td>
</tr>
</tbody>
</table>
9. ASSOCIATED DOCUMENTS

IDP Securities Trading Policy
Malus and Clawback Policy
Use of Remuneration Consultants Policy

10. REFERENCES

Policy Owner: General Manager People and Culture

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>6 December 2013</td>
<td>Board</td>
</tr>
<tr>
<td>Reviewed</td>
<td>19 May 2016</td>
<td>Nomination and Remuneration Committee</td>
</tr>
<tr>
<td>Approved</td>
<td>20 June 2016</td>
<td>Board</td>
</tr>
<tr>
<td>Reviewed</td>
<td>10 May 2017</td>
<td>Remuneration Committee</td>
</tr>
<tr>
<td>Reviewed</td>
<td>7 August 2017</td>
<td>Remuneration Committee</td>
</tr>
<tr>
<td>Approved</td>
<td>21 August 2017</td>
<td>Board</td>
</tr>
</tbody>
</table>