



Board, Executive and Employee Remuneration Policy

Policy ID no 19/2013

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1. Policy Purpose

IDP Education Limited's (IDP) Board, Executive and Employee Remuneration Policy's (Policy) purpose is to establish clear and guiding principles for decisions around all employee remuneration including the board of Directors (Board), executive Key Management Personnel (eKMP) and senior executives in accordance with the ASX Corporate Governance Guidelines and Principles and ASX listed company practice.

IDP's goal is to ensure that the mix and balance of remuneration is appropriate from an attraction, retention and motivational perspective and in line with generally accepted market practice through the use of fair, equitable, and market competitive remuneration in the markets in which IDP Education Limited (IDP) operates.

2. Scope

This Policy applies to all employees and Directors within IDP's global business operations, including Non Executive Directors (NEDs); Chief Executive Officer (CEO); eKMP; senior executives comprising Global Leadership Team (GLT) members; and all other employees.

3. Governance

Effective governance ensures that the Policy is translated into decisions that are consistent with the intentions of the Board.

The Board approves:

- the Policy;
- all remuneration budgets including:
 - the quantum and terms of short-term incentives (STI) for senior executives;
 - the quantum and terms of any long term incentives (LTI);
- the design and quantum of all eKMP and senior executive remuneration and any other material incentive programs; and
- the quantum of remuneration for the Board.

The Remuneration Committee (Committee) oversees the implementation of this Policy supported by the People Experience function and independent external advice, as required.

4. Use of Remuneration Consultants

IDP maintains a policy which governs the procedure for procuring advice relating to KMP remuneration in accordance with the Corporations Act requirements. This includes a summary of the procedures for engagement of any remuneration consultant, the provision of information to the remuneration consultant and the communication of remuneration recommendations, if any.

5. NED Remuneration

In line with the ASX Corporate Governance Guidelines IDP adopts the following position in respect of NED remuneration, noting that NEDs will:

- be remunerated by way of fees in the form of cash, non-monetary benefits and superannuation contributions.
- not participate in schemes designed for the remuneration of eKMP, senior executives or employees;
- not receive equity or other incentives other than in exceptional circumstances and then only subject to Board approval; and
- not be provided with retirement benefits other than statutory superannuation or equivalent.

Shareholders approve any change to the total NED fee pool at the Annual General Meeting. The aggregate sum available to remunerate NEDs is currently set at AUD \$2 million. (Last approved on 19 October 2021).

- The Chair of the Board will not receive any additional fees as the Chair or member of any Board Committees.
- All Board and Committee fees paid are inclusive of superannuation or equivalent mandatory employer retirement benefits.
- Equity benefits, if any, received will not be performance based. Fee sacrifice into equity will be considered where it is tax and cost effective.
- NEDs will receive reimbursement for all costs directly related to the performance of their duties on behalf of IDP.

The Board will review NED remuneration periodically to ensure remuneration levels are maintained in line with market expectations. Market expectations will be assessed independently from time to time by reference to the remuneration paid to NEDs of comparable ASX listed companies. The remuneration positioning will be determined by the Board but would be expected to be between the median and 75th percentile of these comparator companies.

5.1 Minimum Shareholding Requirements

There is a minimum shareholding for NEDs under which they are expected to retain shares in IDP to the equivalent value of their annual base fee as at the date of appointment (excludes Board Committee fees).

This minimum shareholding is expected to be achieved within a three year period from the commencement date of appointment of any new NED and in the case of former representatives of Education Australia, the 30th August 2021.

The value of the shareholding will be tested half yearly, measured against the higher of the value at testing point (market value) and acquisition (purchase cost). A summary compliance report will be provided to the Chair of the Board. In the event a minimum shareholding is below Policy, the Chair of the Board will discuss compliance with the NED with the expectation of the shareholding being increased within a reasonably practicable timeframe.

All dealings in securities of IDP are subject to the provisions of the IDP Securities Trading Policy.

6. Senior Executive and Employee Remuneration

6.1 Remuneration Policy Statement

Consistent with contemporary ASX Corporate Governance Standards IDP's Policy aims to set remuneration that is fair, equitable, competitive and appropriate for the markets in which it operates and is mindful of internal relativities.

IDP aims to ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain eKMP, senior executives and all other employees.

Specific intentions of this Policy include:

- Providing competitive total remuneration opportunities that have a meaningful portion of remuneration 'at risk' for eKMP and senior executives, dependent upon meeting pre-determined performance benchmarks, both short term (annual, with potential for deferral into equity) and long term (equity based with both performance and service requirements of greater than 3 years);
- Link eKMP and senior executive remuneration to IDP performance, as determined by the Board;
- Link remuneration to shareholder value accretion by providing appropriate equity (or equivalent) incentives to selected eKMP, senior executives and other employees linked to long-term IDP performance. Discretion may apply as determined by the Board if IDP's core values are not met, and;
- Providing transparent policies and review procedures that also include considerations of equity and diversity.

This Policy will be executed by IDP under a framework which considers total annual remuneration. 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.

Remuneration for senior executives 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 objectives for eKMP and senior executives are summarised in the following table.

IDP Executive KMP and Senior Executive Remuneration Objectives

- Alignment of shareholder value creation and strategy strengthened through use of equity programs
- 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 each stage of development

Total annual remuneration is set by reference to relevant market benchmarks

Fixed	At Risk	
Fixed Annual Remuneration (FAR)	Short Term Incentives (STI)	Long Term Incentives (LTI)
Fixed remuneration is set based on relevant market benchmarks as determined by the Board but will reflect role and responsibilities, performance, qualifications, experience and geographic location	STI key performance indicators will be approved by the Board based on key financial and non-financial criteria aligned to deliver IDP's priority business strategies	Performance conditions will be set by the Board and linked to a selected matrix of Earnings, Total Shareholder Return or other measures to align executive KMP interests with shareholder interests

Remuneration will be delivered as

Base salary plus any allowances (includes Superannuation or equivalent)	Paid, as cash, on completion of the relevant performance period. Deferral of a portion of the STI into equity (service rights) will be considered	Awarded as equity and will vest (or not) at the end of the performance period which will be a minimum of three years
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Strategic intent and market positioning

FAR for executive KMP will typically be positioned between the median and 75th percentile (+/-) compared to relevant market data considering expertise, competitive tensions and performance in the role	Performance incentive is directed to achieving key strategic or financial targets. FAR and STI opportunity is targeted to be positioned at about the 75 th percentile 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 75 th percentile
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Total annual remuneration is intended to be positioned in the upper 3rd quartile compared to relevant market based comparisons. 4th quartile total annual remuneration may be derived if demonstrable out performance is achieved by IDP

6.2 Executive KMP and Senior Executive Remuneration Structure

IDP's eKMP and senior executive target remuneration mix or strategic intention is currently as follows:

Type	Position	FAR % (at Target)	STI % (at target)	LTI % (at Target)	Total Target Remuneration %
eKMP	CEO	up to 33.3	up to 33.3	up to 33.3	100
	Other eKMP	up to 50	up to 33.3	up to 33.3	100
Senior Executives	Regional Directors	up to 55	up to 33.3	up to 33.3	100
	Corporate Leaders	up to 50	up to 33.3	up to 33.3	100

The remuneration strategic intention will be subject to change from time to time. This will be reviewed and approved by the Board annually, following endorsement by the Committee.

6.3 Setting Remuneration Levels - FAR

FAR for eKMP and senior executives is reviewed annually and tested against relevant independent external benchmark data. Any increase in FAR for eKMP and senior executives is endorsed by the Committee for Board approval.

Additionally, FAR forms the basis for calculating the 'at risk' components of remuneration. Generally, eKMP and senior executive FAR will be positioned between the market median and the 75th percentile of relevant market data comparisons, where available.

Outstanding and strategically critical executive remuneration may be positioned at the 75th percentile or above, subject to the Committee endorsing for Board approval.

6.4 Out of Cycle Remuneration Increases

Out of cycle or 'ad hoc' remuneration increases for any eKMP and senior executives will only be considered in special circumstances and must be approved by the Committee and the Board, in advance.

6.5 IDP Education Employee Incentive Plan (IDIP)

An equity incentive plan called the IDP Education Employee Incentive Plan (IDIP) was established in 2015 to assist IDP to retain and reward eKMP and senior executives through appropriately designed long term incentives. Awards under the IDIP can be offered with Board approval. Awards for any executive Director will be submitted to shareholders for approval.

The IDIP is reviewed by external legal and tax advisers from time to time to ensure continuing compliance. The IDIP is supported by the IDP Employee Share Trust (EST) to manage the IDIP and manage settlement of vested benefits.

6.6 Short Term Incentives (STI)

IDP has a target based STI in place for all eKMP and senior executives.

Purpose

The IDP STI is designed to reward eKMP and senior executives for meeting key performance indicators (KPIs) set each year to support and drive IDP's short term performance, as directed by the Board.

Eligibility

Eligibility is determined by the Board and confirmed in writing annually. All eKMP and senior executives are eligible to participate.

Key Performance Indicators (KPIs)

STI KPIs are developed under balanced scorecard methodology which takes into account both financial and non financial measures which are aligned to key strategic objectives of the business.

STI KPIs for eKMP and senior executives will be reviewed and approved by the Board annually following endorsement by the Committee.

Weightings

KPIs are weighted to their relative importance, aligned to IDP's key business needs and strategy and reflected in the percentage of the total STI opportunity assigned.

Reward Determination

Where KPI measures are quantitative, awards are determined using progressive performance measures, taking into account relative performance outcomes. Reward outcomes, based on performance to target, are determined on a straight line basis between the minimum and maximum of each reward outcome range.

Appropriate threshold, target, stretch and exceptional performance levels are set individually.

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

STI Performance Rating	Performance Outcome (% achievement against Target)	Reward Outcome (% of STI to be awarded)
Threshold	85 - 90%	25 - 50%
Target	100%	100%
Stretch	115 - 125%	120 - 150%
Exceptional	> 125%	Up to 200%

For qualitative performance measures a rating guide is determined as follows:

Performance Rating	Performance Outcome
Below Satisfactory	0
Satisfactory	15
Good	50
Very Good	100
Outstanding	125
Exceptional	150

STI Reward Determination

Once the performance results are determined incentive can be awarded.

The STI incentive payment will be calculated as follows.

$$\text{STI award} = ((C1 \times D1) + (C2 \times D2) + (C3 \times D3) + (C4 \times D4)) \times F,$$

$$= (E1 + E2 + E3 + E4) \text{ where;}$$

(A) STI Opportunity \$ value = a pre determined % of FAR outlined in contract or invitation.

- an affordability factor based on IDP’s achievement against financial target set (if any) may be applied. That is has IDP achieved the ‘performance gate’ or should a discount factor apply?

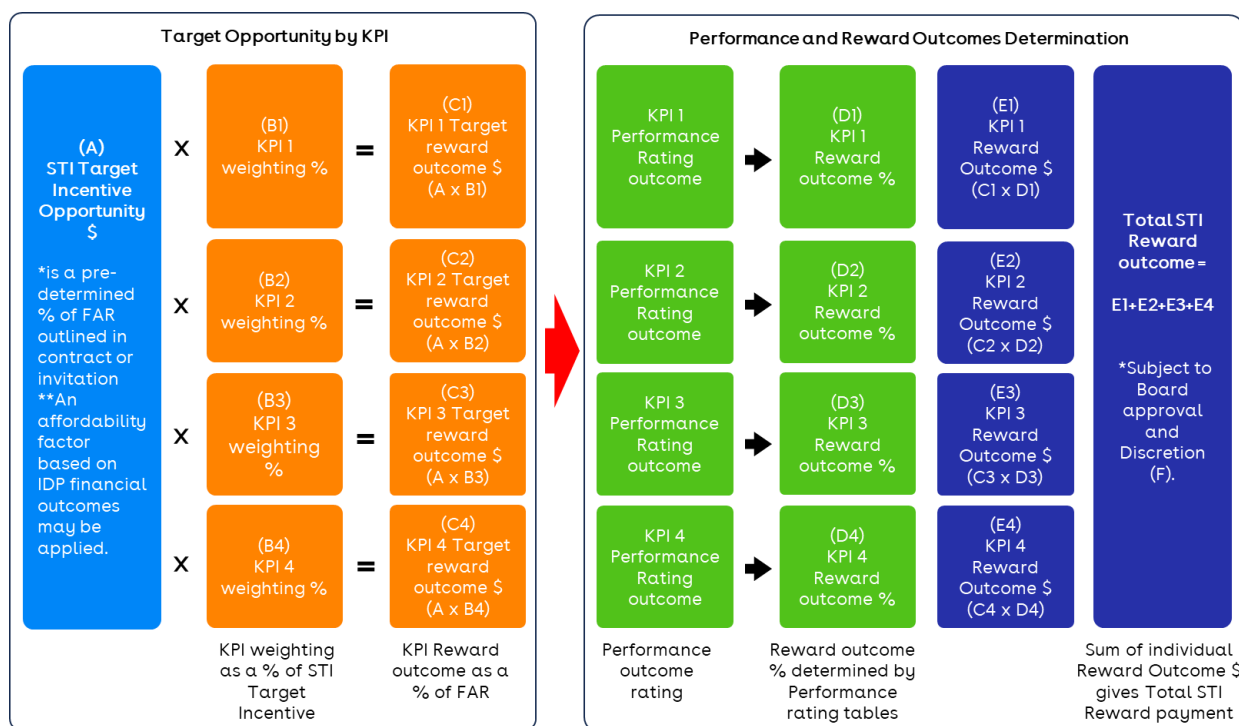
(B) KPI weighting as a % of total KPIs

(C) KPI target reward outcome \$ value = (A) x (B)

(D) KPI Reward Outcome % = determined based on KPI performance outcome rating tables

(E) KPI Reward Outcome \$ = (C) x (D)

(F) Board Discretion multiplier applied, if any



STI Deferral

In accordance with contemporary eKMP 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 2 years. Where possible the STI deferral amount will be delivered as service rights under the IDIP.

STI deferral will apply to selected eKMP as determined by the Board.

6.7 Long Term Incentive (LTI)

IDP has an LTI program for eKMP and senior executives.

Purpose

IDP's LTI program is intended to provide an additional remuneration opportunity to participating eKMPs and senior executives for IDP achieving predetermined, Committee endorsed and Board approved, performance outcomes designed to align eKMP and senior executive reward with shareholder outcomes.

Eligibility

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

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

LTI Offer Terms

Offers to participate in an LTI will be approved by the Board each year following Committee endorsement and the offer terms may vary from year to year or individual to individual, but will typically include:

Details:	Conditions/ Restrictions:
Date of grant; type of equity award (performance rights, options, shares or other); the exercise price or issue price; consideration, if any; and allocation value and number	Performance conditions; service conditions; other conditions or restrictions; hedging restrictions; change of control provisions; termination of employment conditions

Any LTI offer will be supported by appropriate complying documentation.

6.8 Leaver (Good/Bad) Consequence in Respect of Unvested Equity Awards

The consequence for awards 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 and subject to shareholder approval where necessary, 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 to take action under any applicable Malus and Clawback Policy, or where a participant has:

- committed an act of fraud, defalcation or gross misconduct in relation to the affairs of IDP;
- hedged the value of, or entered into a derivative arrangement in respect of, unvested awards; or
- disposed of, or granted any Security Interest, over an award other than in accordance with the IDIP Rules.

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.

6.9 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 approval by the Board annually following endorsement by the Committee.

The Australian Exempt Award is excluded from this Clause as approved by the Board on 19 June 2018.

6.10 Malus and Clawback Policy

IDP maintains a Malus and Clawback Policy which allows the Board to reduce certain elements of an eKMP's and/or senior executive's remuneration in exceptional circumstances.

6.11 Recruitment Incentive

IDP defines a recruitment incentive as any payment that serves as an incentive to encourage a person to join IDP. 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 CEO has delegated authority to approve the incentive payment with the incentive to be reported to the next Committee meeting;
- Where the aggregate total of payments under AUD 100,000 meets or exceeds AUD 100,000 in a rolling 12 month period this will be reported to the next 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 Committee and the Board.

6.12 Minimum Shareholding Guidelines

All eKMP and senior executives are expected to retain a voluntary minimum shareholding in IDP to the value of at least 20% of FAR.

This minimum shareholding will be tested using the same methodology as applied to NED holdings and is expected to be achieved within a five year period from the commencement date of employment / appointment (if an internal promotion) to an eKMP role.

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

6.13 Executive KMP and Senior Executive Employment Agreements

All eKMP and senior executives will be required to enter into an individual employment agreement. The key terms of the agreements are determined from time to time, subject to changing market circumstances and advice from independent external legal advisers.

7. Monitoring, Evaluation and Review

This Policy is reviewed annually from the date the Policy was initially released or last reviewed.

8. Associated Documents

IDP Securities Trading Policy
 Malus and Clawback Policy
 Use of Remuneration Consultants Policy
 IDP Education Employee Incentive Plan (IDIP) Rules
 IDIP Employee Share Trust Deed

9. References

Policy Owner: Chief People Officer

Review and Sign Off:

Action	Date	Responsibility
Approved	6 December 2013	Board
Reviewed	19 May 2016	Nomination and Remuneration Committee
Approved	20 June 2016	Board
Reviewed	10 May 2017	Remuneration Committee
Reviewed	7 August 2017	Remuneration Committee
Approved	21 August 2017	Board
Reviewed	21 May 2018	Remuneration Committee
Reviewed	6 August 2018	Remuneration Committee
Approved	22 August 2018	Board
Reviewed	13 May 2019	Remuneration Committee
Approved	18 June 2019	Board
Reviewed	11 February 2020	Remuneration Committee
Approved	7 April 2020	Board
Reviewed	11 May 2021	Remuneration Committee
Approved	23 June 2021	Board
Reviewed	12 May 2022	Remuneration Committee
Approved	22 June 2022	Board
Reviewed	6 December 2023	Remuneration Committee
Approved	6 December 2023	Board