

# Use of Remuneration Consultants Policy



---

Policy ID no 27/2017

Approved by the Board: 2022

# Contents

---

This policy contains the following topics:

|    |                                   |   |
|----|-----------------------------------|---|
| 1. | Policy Purpose                    | 3 |
| 2. | Scope                             | 3 |
| 3. | Policy Details                    | 3 |
| 4. | Disclosure                        | 4 |
| 5. | Monitoring, Evaluation And Review | 4 |
| 6. | Definitions And Abbreviations     | 4 |
| 7. | Associated Documents              | 4 |
| 8. | References                        | 5 |

## 1. Policy Purpose

The purpose of this policy is to establish the guidelines and protocols by which IDP Education Ltd (IDP) will ensure the use of remuneration consultants is in accordance with the requirements set out in the Corporations Act.

## 2. Scope

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

## 3. Policy Details

The Corporations Act (the legislation) requires that the engagement of a remuneration consultant that provides remuneration recommendations on Key Management Personnel (KMP) must be approved by the board of Directors of IDP (Board) or IDP's Remuneration Committee.

The remuneration consultant must receive instructions in writing from an independent Non-Executive Director and must provide any recommendation, in writing, directly to the independent Non-Executive Directors or the Remuneration Committee.

The remuneration consultant must include with their recommendation a declaration as to whether their recommendation is made free from undue influence by the KMP to which the remuneration recommendation relates.

### **What is a remuneration recommendation or advice?**

A remuneration recommendation or advice is a recommendation or advice about either the quantum of remuneration and/or the elements of remuneration that is; fixed or variable remuneration.

A remuneration recommendation or advice does not include information about the operation of the law, accounting principles, actuarial principles and practice, general remuneration information relevant to all employees of IDP or remuneration data for employees other than KMP.

### **Who is a remuneration consultant?**

Any independent external person who provides IDP with a remuneration recommendation or advice in respect of a KMP is a remuneration consultant for the purposes of the legislation and this policy.

### **Guidelines and protocols**

Any remuneration recommendation or advice in respect of KMP from an external advisor will be in accordance with the following guidelines:

- a) Any remuneration advice requested by the Chairman or a Non-Executive Director from a remuneration consultant in respect of KMP remuneration will be in writing specifying the scope of works and fee agreement;
- b) The remuneration consultant will be required to set out his/her qualifications to undertake the work specified and how their independence will be maintained;

- c) Where the remuneration consultant undertakes other services for IDP, where required by IDP details of those other services should be specified in any fee agreement proposal and an explanation provided as to why independence is to be maintained to avoid perceived or actual undue influence;
- d) Any remuneration advice affecting KMP requested from a remuneration consultant will be tabled at the first available Remuneration Committee meeting for information purposes;
- e) If the advice sought from a remuneration consultant is outside the scope of the delegated authority of any independent Non-Executive Director the terms of engagement and fee agreement should be approved by the Remuneration Committee, in advance; and
- f) Where management requires remuneration advice in relation to KMP remuneration they must provide a written request to the Remuneration Committee outlining the required scope of works and fee estimate for Remuneration Committee approval and then the above guidelines and protocols observed, unless the advice is procedural or administrative in nature.

#### 4. Disclosure

Where remuneration advice regarding KMP has been obtained during any financial year, the following must be disclosed in the Annual Report by the Board in accordance with the legislation:

- A statement that a remuneration recommendation has been made by the named consultant, including the type of recommendation and the amount and nature of any consideration paid or payable;
- A statement detailing the nature and amount of consideration paid or payable for other services; and
- A statement that the Board is satisfied that any remuneration recommendation made in respect of a KMP was made free of undue influence (from KMP) including the Board's reasons for being so satisfied.

#### 5. Monitoring, Evaluation and Review

The Remuneration Committee will review the Policy at least annually and make recommendations to the Board as to any changes it considers should be made.

#### 6. Definitions and Abbreviations

| Term             | Meaning                     |
|------------------|-----------------------------|
| KMP              | Key Management Personnel    |
| Corporations Act | Corporations Act 2001 (Cth) |

#### 7. Associated Documents

Board, Executive and Employee Remuneration Policy

## 8. References

**Policy Owner:** Head of People Experience

| <b>Action</b> | <b>Date</b>    | <b>Responsibility</b>  |
|---------------|----------------|------------------------|
| Approved      | 7 August 2017  | Remuneration Committee |
| Approved      | 21 August 2017 | Board                  |
| Reviewed      | 13 May 2019    | Remuneration Committee |
| Approved      | 18 June 2019   | Board                  |
| Reviewed      | 11 May 2021    | Remuneration Committee |
| Approved      | 23 June 2021   | Board                  |
| Reviewed      | 12 May 2022    | Remuneration Committee |
| Approved      | 22 June 2022   | Board                  |