

# IPH Limited Nomination and Remuneration Committee Charter

ACN 169 015 838



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## 1. Objectives

The objectives of the Nomination and Remuneration Committee are to assist the Board in fulfilling its corporate governance responsibilities in regard to:

- a) remuneration matters, including:
  - i. the remuneration and incentive framework, including any proposed equity incentive awards for the Directors;
  - ii. recommendations in relation to:
    - A. remuneration packages to be awarded to Senior Executives;
    - B. equity-based remuneration plans for Senior Executives and other employees;
    - C. superannuation arrangements for Directors, Senior Executives and other employees; and
    - D. whether there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other employees; and
  - iii. strategic human resources policies; and
- b) nomination matters, including:
  - i. Board appointments, re-elections and performance;
  - ii. Directors' induction programs and continuing development;
  - iii. Committee membership;
  - iv. endorsement of Senior Executive appointments; and
  - v. diversity obligations.

## 2. Functions

The Nomination and Remuneration Committee is to undertake the functions of each of the nomination committee and the remuneration committee set out in the ASX Recommendations.

## 3. Membership

### Structure

- a) The Nomination and Remuneration Committee is appointed by the Board in accordance with Clause 6.15 of the Constitution.
- b) The Nomination and Remuneration Committee is to consist of:
  - i. at least three members; and
  - ii. only Non-Executive Directors,

**(Nomination and Remuneration Committee Members).**



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- c) The chairman of the Nomination and Remuneration Committee is to be appointed by the Board (**Nomination and Remuneration Committee Chairman**).
  - d) The Nomination and Remuneration Committee may appoint independent expert external advisers on terms determined by the Nomination and Remuneration Committee to assist it in performing its duties.

### **Term**

- a) Nomination and Remuneration Committee Members will be appointed for an initial term of up to three years with the appointment being subject to review annually or earlier if circumstances dictate.
- b) The appointment of a Nomination and Remuneration Committee Member will cease if that person ceases to be a Director or as otherwise determined by the Board.

### **Fees**

Nomination and Remuneration Committee Members are entitled to receive remuneration as determined from time to time by the Board.

## **4. Meetings**

### **Convening meetings**

The Nomination and Remuneration Committee is to meet as requested by the Nomination and Remuneration Committee Chairman, but not less than twice a year.

### **Quorum**

The quorum for a Nomination and Remuneration Committee meeting is two Nomination and Remuneration Committee Members.

### **Attendance at meetings**

- a) Directors who are not Nomination and Remuneration Committee Members may attend meetings at the invitation of the Nomination and Remuneration Committee Chairman.
- b) The Managing Director, appropriate members of management and any external adviser are to attend such portion of each meeting as requested by the Nomination and Remuneration Committee Chairman. The Managing Director is not to be present when the Nomination and Remuneration Committee discusses issues relating to the Managing Director.
- c) The Company Secretary is to attend Nomination and Remuneration Committee meetings, or to otherwise receive an update from the Nomination and Remuneration Committee Chairman on proceedings of Nomination and Remuneration Committee meetings, to ensure minutes are taken of each meeting.

### **Report**

- a) The Nomination and Remuneration Committee will report on its meetings to the Board.



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- b) The Nomination and Remuneration Committee will annually review and report to the Board on the diversity objectives established by the Group.
  - c) Recommendations of the Nomination and Remuneration Committee are to be referred to the Board for approval.

## 5. Authority

### **Seek Information**

The Nomination and Remuneration Committee is authorised by the Board to seek any information it requires from any employee of the Group in order to perform its duties and all Employees must comply with such requests.

### **Use of Consultants**

In connection with its duties, the Nomination and Remuneration Committee is empowered to select, set the terms of reference and appoint such consultants or other advisers as the Nomination and Remuneration Committee consider necessary or appropriate, at the Company's expense.

### **Remuneration Policies and Practices**

The Nomination and Remuneration Committee may seek advice from individuals on remuneration policies and practices, but no individual should be directly involved in deciding their own remuneration.

### **No Executive Powers**

The Nomination and Remuneration Committee shall have no executive powers with regard to its findings and recommendations.

## 6. Responsibilities and Duties – Remuneration Matters

### **Responsibilities**

The Nomination and Remuneration Committee is responsible for:

- a) the review and monitoring of the Group remuneration and incentive framework applying to Non-Executive Directors, Executive Directors and Senior Executives and the associated strategies, systems, policies and processes implemented, and reported on, by Management;
- b) approving the remuneration and incentive awards of Senior Executives based on the recommendations of the Managing Director; and
- c) approval of pools of annual grants of equity and any other individual equity offers to Senior Executives and other employees.

### **Recommendations**

The Nomination and Remuneration Committee will review and make recommendations to the Board on remuneration matters, including:



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- a) the review and monitoring and recommendation of changes to the remuneration and incentive framework (including the equity plan framework and any diversity considerations) for Non-Executive Directors, Executive Directors and Senior Executives;
  - b) the remuneration of Directors;
  - c) remuneration packages to be awarded to Senior Executives;
  - d) equity-based remuneration plans for Senior Executives and other employees;
  - e) superannuation arrangements for Directors, Senior Executives and other employees;
  - f) whether there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other employees; and
  - g) performance based measures (financial and non-financial), targets and performance outcomes under incentive plans for the Directors and Senior Executives.

## **Remuneration and Incentive Framework**

The Nomination and Remuneration Committee's objectives in determining the remuneration and incentive framework, policies and practices are to:

- a) motivate the Directors and Senior Executives to pursue the long-term growth and success of the Group;
- b) demonstrate a clear relationship between performance and remuneration;
- c) involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives of the Company;
- d) differentiate between higher and lower performers through the use of a performance management framework;
- e) be compliant with all relevant laws and regulations and have regard to Shareholder expectations; and
- f) be informed by market data and remuneration practices of ASX listed companies.

## **Human Resources Policies**

The Nomination and Remuneration Committee will review strategic human resource policies and practices for the Company.

## **Other**

The Nomination and Remuneration Committee will consider any other remuneration matters referred to the Nomination and Remuneration Committee by the Board.

# **7. Responsibilities and Duties – Nomination Matters**

## **Selection, Appointment, Re-election and Performance of Directors**

- a) In assisting the Board in the appointment, re-election and performance of Directors, the Nomination and Remuneration Committee will:



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- i. assess the necessary and desirable competencies of Directors;
  - ii. assess that Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
  - iii. develop Board succession plans so that an appropriate balance of skills, experience, expertise and diversity is maintained;
  - iv. make recommendations to the Board relating to the appointment, re-election and retirement of Directors;
  - v. review the time commitment required from Non-Executive Directors and whether Directors are meeting that commitment; and
  - vi. schedule regular Board performance reviews.
- b) In reviewing the composition and performance of the Board, the Nomination and Remuneration Committee will consider the term served by Non-Executive Directors so that, over time, new Directors are appointed to challenge existing approaches and to incorporate new ideas and energy.
- c) In selecting and recommending the appointment of new Directors, the Nomination and Remuneration Committee will:
- i. adopt a skills matrix to identify any deficient competencies in the attributes, skills and experience of the Board;
  - ii. assess candidates with regard to the diversity objectives of the Group;
  - iii. engage external consultants where necessary to assist in the selection process of suitable candidates; and
  - iv. recommend candidates who have the appropriate range of attributes, skills, experience and expertise that will best complement Board effectiveness.
- d) In addition, any candidate must confirm that they have the necessary time to devote to their Board position. In support of this confirmation, the candidate must provide the Nomination and Remuneration Committee with details of other commitments and an indication of time involved.

## **Induction and Continuing Development of Directors**

- a) The Nomination and Remuneration Committee should ensure each new Director undertakes an induction program which enables them to gain an understanding of:
- i. the intellectual property services industry and the Group's operations;
  - ii. the Group's financial, strategic, operational and risk management position;
  - iii. the culture and values of the Group;
  - iv. their rights, duties and responsibilities and those of Management;
  - v. Board and Committee meeting arrangements, including the role of the Committees; and
  - vi. constructive and respectful relations between Board members, and between the Board, Management and other stakeholders.



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- b) The Nomination and Remuneration Committee will review that Directors have access to appropriate continuing education to update and enhance their skills and knowledge (including key developments in the Company and within the intellectual property industry).

### **Committee Membership**

When it is considered appropriate, the Nomination and Remuneration Committee is to review the composition of Committees and submit recommendations to the Board for changes to those Committees.

### **Executive Appointments**

The Nomination and Remuneration Committee is to review and endorse recommendations made by the Managing Director for Executive appointments.

### **Other**

The Nomination and Remuneration Committee will consider any other nomination matters referred to the Nomination and Remuneration Committee by the Board.

## **8. Committee Performance**

To determine whether it is functioning effectively, once each year the Nomination and Remuneration Committee shall:

- a) review this Nomination and Remuneration Committee Charter; and
- b) undertake an evaluation of its performance.





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