

## **Remuneration and Nominations Committee Charter**

The Remuneration and Nominations Committee advises the Board on remuneration and incentives policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for executives and Directors.

The main responsibilities of the Remuneration and Nominations Committee are:

1) **Nominations:**

- conduct an annual review the membership of the Board regarding present and future needs of the company and make recommendations on Board composition and appointments
- conduct an annual review of the independence of Directors
- manage appointment and re-election of Directors
- oversee succession planning for Board and Chief Executive Officer
- evaluate performance of the Board, its committees and individual Directors
- oversee the annual performance assessment program for management and staff.

2) **Remuneration:**

- Advise the Board on remuneration policies and procedures.
- Make recommendations on remuneration framework and other terms of employment for senior management, executive Directors and non-executive Directors. Remuneration is to be set at levels intended to attract, retain and motivate high quality executives capable of managing the Company's operations, achieving the Company's strategic objectives and to align their interests with the creation of value for security holders.
- Ensure executive remuneration and other terms of employment are reviewed annually by the committee with regard to performance, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits. Eligible employees may be invited to participate in the Employee Share Plan.
- Non executive Directors' fees are determined within an aggregate Directors' fees pool limit which is periodically referred for approval by shareholders.

The Company will endeavour to ensure the Remuneration and Nominations committee is comprised of at least three members, the majority of whom are independent Directors and is chaired by an independent Director.

### **Powers**

The Remuneration and Nominations Committee has the authority to direct special investigations deemed necessary and to consult independent experts, if required, to carry out its duties.

Costs of such investigations are borne by IDT.

### **Duties**

- (a) Make recommendations to the Board in relation to the remuneration framework for appropriate compensation including grants of securities within the terms of the Employee Share Plan. Recommend fair and competitive remuneration packages to attract and retain executives and Directors.
- (b) Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to remuneration of executives and non executive Directors.
- (c) Make recommendations to the Board from time to time as to changes to the size and composition of the Board.
- (d) Identify individuals qualified to become Directors and recommend candidates to the Board considering factors such as judgement, skill, diversity, relevant experience, the

- interplay of the candidate's experience that of other Directors, independence and the extent to which the candidate is considered to be a desirable addition to the Board.
- (e) Maintains a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has and seeks to achieve in its membership. This Matrix is considered to be commercially sensitive and accordingly is not publicly reported.
  - (f) Reference checking of prospective Directors is conducted to gain assurance the most appropriate person has been selected.
  - (g) Ensure a Director appointed by the Board stands for election by security holders at the following Annual General Meeting. The Notice of Meeting will include biographical information, details of other material directorships and matters which may be perceived to influence a Director's independence in order to provide security holders with sufficient information relevant to their decision relating to election or re-election of any Director.
  - (h) Ensure processes are in place to ensure a new director or employee receives a letter of appointment outlining their key duties and responsibilities, remuneration, conditions relating to termination and other matters significant to the appointment such as those outlined in Recommendation 1.3 of the ASX Corporate Governance Principles.
  - (i) Ensure induction program for new Directors is in place.
  - (j) Ensure opportunities are offered to ensure Directors and employees develop and maintain skills and knowledge to effectively perform their roles.
  - (k) Recommend to the Board appointments to Board Committees with consideration of the Charter of the Committee as well as any other factors it deems appropriate.
  - (l) Establish procedures for the Committee to exercise oversight of the evaluation of the performance of the Board and management.
  - (m) Periodically evaluate the performance of the Board, its Committees and individual Directors and disclose whether a performance evaluation was undertaken in the reporting period.
  - (n) Ensure the Chief Executive Officer establishes a process where annual performance objectives are set for all key staff and are the basis of performance reviews, conducted at least annually.
  - (o) Report to the Board on matters relevant to the Committee's role and responsibilities
  - (p) Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

The Remuneration and Nominations Committee is also responsible for reviewing any related party transactions between the organisation and Directors, or any interests associated with Directors, to ensure the structure and terms of the transaction comply with Corporations Law and are appropriately disclosed.

### **Meetings**

The IDT Remuneration and Nominations Committee will meet at least annually, and more frequently if required.

All matters determined by the Committee are submitted to the next meeting of the full Board as recommendations for a Board decision. Minutes of Committee Meetings are also tabled.