



# PEOPLE AND PERFORMANCE COMMITTEE CHARTER

DATE: 24 JUNE 2019



DATE	NAME	CHANGE	REVISION
24/6/2019	Last amendment		
26/4/2018	Last review		
23/1/2015	Approved		

## TABLE OF CONTENTS

1.	INTRODUCTION .....	1
2.	DEFINITIONS .....	1
2.1	Key Management Personnel .....	1
2.2	Remuneration Consultant .....	1
3.	ROLE .....	1
4.	AUTHORITY .....	1
5.	MEMBERSHIP .....	1
6.	DUTIES AND RESPONSIBILITIES .....	2
6.1	Organisational Development and Culture .....	2
6.2	Remuneration .....	2
6.3	Executive Directors and KMP .....	3
6.4	Non-Executive Directors .....	3
6.5	Remuneration Consultants .....	3
6.6	Superannuation .....	4
6.7	Annual Reporting .....	4
6.8	Termination Payments for KMP .....	4
7.	ADMINISTRATIVE MATTERS .....	4
8.	REPORTING .....	5
9.	REVIEW .....	5
10.	CONTACT DETAILS .....	5

## 1. INTRODUCTION

The Board of Directors (the **Board**) of IGO Limited (**IGO** or the **Company**) has resolved to establish a People and Performance Committee of the Board (the **Committee**).

The Board has approved this Charter which prescribes the role and responsibilities, composition, structure and membership requirements for the Committee.

## 2. DEFINITIONS

### 2.1 Key Management Personnel

The term Key Management Personnel (**KMP**) includes those people having authority and responsibility for planning, directing, and controlling the activities of IGO, either directly or indirectly. KMP includes both IGO's executive and non-executive directors.

### 2.2 Remuneration Consultant

A Remuneration Consultant is a person who is not an employee or officer of IGO and who provides remuneration recommendations for one or more members of the KMP under a contract for services with IGO.

## 3. ROLE

The role of the Committee is to review and make recommendations to the Board with respect to:

- organisational development, culture and KMP selection and performance management;
- IGO's remuneration framework including incentives, reward and retention strategies and policies;
- executive director, KMP and non-executive director remuneration; and
- other matters referred to the Committee by the Board.

## 4. AUTHORITY

Within the scope of its duties and responsibilities, the Committee is generally authorised to:

- consult with and seek any information from any Director or employee of IGO or any external party;
- obtain (at IGO's expense) professional advice from external consultants or specialists it considers necessary to assist the Committee in meeting its responsibilities; and
- require the attendance of any IGO employee at Committee meetings.

## 5. MEMBERSHIP

Committee members are appointed by the Board for a term considered appropriate by the Board. The Board may appoint additional non-executive directors to the Committee, and may remove or replace members of the Committee by ordinary resolution. The Committee should be of sufficient size and independence and its members between them have the necessary

technical expertise and sufficient understanding of the industry in which IGO operates to discharge its mandate effectively.

The Committee must contain:

- a majority of independent directors; and
- at least three members of the Board.

If IGO is included in the S&P/ASX 300 Index at the start of its financial year, the Committee must be comprised solely of non-executive directors for the entire duration of that financial year. Members of the Committee may withdraw from the Committee by notifying the Board in writing.

The Chair of the Committee (the Committee Chair) must be an independent director and may be the Chair of the Board. If the Committee Chair is unable to attend a Committee meeting, the Committee members present at that meeting must appoint a Committee member to chair the meeting.

## **6. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are as set out in this section. The Board may from time-to-time, delegate other responsibilities and functions to the Committee.

### **6.1 Organisational Development and Culture**

The Committee will review and make recommendations to the Board in relation to IGO's policies and practices that support the delivery of strategy through people and culture. This may include, but is not limited to the following for KMP and other employees:

- recruitment and retention;
- learning and leadership development;
- performance management;
- talent management including career pathing and succession planning; and
- culture shaping and innovation.

### **6.2 Remuneration**

The purpose of the Committee is to assist the Board in satisfying its responsibilities to IGO shareholders by:

- reviewing and making recommendation on remuneration policy for KMP and other employees that:
  - encourages the pursuit of the growth and success of IGO (both in the short term and over the longer term) without taking undue risks;
  - provides an appropriate balance between IGO's desire to attract and retain key employees against paying excessive remuneration;
  - provides an appropriate balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to IGO's circumstances and goals;
  - motivates employees to pursue the long-term growth and success of IGO;
  - demonstrates a clear relationship between performance and remuneration whilst not rewarding conduct that is contrary to IGO's values or risk appetite; and

- ensures that remuneration is aligned with relevant market trends.
- clearly distinguishing the structure of non-executive remuneration from that of executive directors and senior executives;
- reviewing and commenting on superannuation arrangements;
- reviewing and commenting on remuneration by gender including reviewing whether there is any gender bias or other inappropriate bias in remuneration for directors, senior executives or other employees;
- appointing Remuneration Consultant(s) for IGO, and receiving, reviewing and considering their recommendation(s), each in accordance with IGO's policy on the use of Remuneration Consultants and the overarching requirements of the Corporations Act 2001 (Cth); and
- when making the above recommendations to the Board:
  - considering the ASX Corporate Governance Council's guidelines in respect of executive remuneration packages and non-executive director remuneration set out in the ASX Corporate Governance Principles and Recommendations 4th Edition (ASX Principle and Recommendations); and
  - ensuring that both cash and equity-based remuneration is structured in accordance with the thresholds and restrictions under IGO's Constitution, the ASX Listing Rules and the Corporations Act 2001 (Cth).

### 6.3 Executive Directors and KMP

The Committee must:

- consider and make recommendations to the Board on the remuneration for each executive director and senior executive (including base pay, incentive payments, equity awards, retirement rights, termination payments and service contracts) in reference to remuneration policy; and
- review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for each executive director and senior executive.

### 6.4 Non-Executive Directors

The Committee must:

- consider and make recommendations to the Board on the remuneration for each non-executive director (as distinct from the remuneration structures of executive directors and senior executives) having regard to the remuneration policy; and
- review the ongoing appropriateness and relevance of the remuneration policy for non-executive directors.

### 6.5 Remuneration Consultants

If the Board is considering engaging a Remuneration Consultant to provide advice to the Board, the Committee must:

- ensure that the Remuneration Consultant is sufficiently independent and the Committee has set aside sufficient time to ensure such independence;
- approve the Remuneration Consultant prior to binding documentation being entered into between IGO and the Remuneration Consultant;
- receive, review and consider the recommendation(s) of the Remuneration Consultant;

- review the appointment of the Remuneration Consultant each year having regard to their independence, competence to provide unbiased advice to IGO, consultancy fees and any questions of resignation or dismissal; and
- report to the Board each year on the performance of the Remuneration Consultant.

To the extent an executive director is a member of the Committee, that executive director must excuse himself or herself from, and not participate in, the matters set out above. The Committee must ensure that no executive director is provided with any recommendation(s) from the Remuneration Consultant (whether such executive director is a member of the Committee or otherwise).

## **6.6 Superannuation**

The Committee will ensure that IGO carries out its obligations in respect of superannuation, retirement benefits and other related benefits and entitlements.

## **6.7 Annual Reporting**

The Committee will:

- review and make recommendations to the Board in relation to the remuneration report included in IGO's Annual Report; and
- review the remuneration policy disclosures made in the Annual Corporate Governance Statement for consistency with the remuneration principles of the ASX Principles and Recommendations.

## **6.8 Termination Payments for KMP**

The Committee will review termination payments for KMP to ensure that they are consistent with the law and the rules of any incentive scheme and the remuneration policy, and that any payments are fair to the individual, and to IGO, and that failure is not rewarded and the duty to mitigate loss is fully recognised.

# **7. ADMINISTRATIVE MATTERS**

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least twice each year. A quorum consists of the lesser of two members or a majority of members of the Committee.

The Company Secretary will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

The minutes of a Committee meeting will be included in the papers for the next full Board meeting after each Committee meeting. The company will disclose this Charter on its website and will disclose the following in its Annual Corporate Governance Statement:

- Committee membership;
- the number of times the Committee met during the financial year; and
- the individual attendances of members at Committee meetings.

## **8. REPORTING**

The Committee will report to the Board on all matters relevant to the Committee's roles and responsibilities. The report will include details of meeting agendas, papers and minutes of the Committee.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

## **9. REVIEW**

The Board will, at least once in each year review the membership, performance and Charter of the Committee to ensure it remains consistent with the Board's objective and responsibilities.

## **10. CONTACT DETAILS**

If you are in any doubt regarding this Standard, you should contact the Company Secretary at:

IGO Limited, PO box 496, South Perth, WA 6951

Phone: 08 9238 8300

Email: [contact@igo.com.au](mailto:contact@igo.com.au), Attention: the Company Secretary