



The letters 'IOOF' are rendered in a large, white, outlined font across the middle of the page. They are superimposed on a scenic photograph of a coastline. The background shows a blue ocean with white waves, a sandy beach, and green hills under a blue sky with scattered white clouds. In the foreground, there are some green coastal plants.

Board Nominations and Remuneration Policy

IOOF Holdings Ltd ABN 49 100 103 722

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1. Introduction

This Policy is to be read with the Board charter and constitution. It sets out the policy and processes relating to Board composition, non-executive directors and Board renewal.

The Board has established a Group Nominations Committee, which is responsible for assisting and advising the Board on the nomination of Board members, the composition of the Board, succession planning and performance evaluation. The Committee's objectives are to:

- enable IOOF to attract directors, which in turn will create value for shareholders;
- ensure the sustainable quality of Board appointments;
- measure the Board performance in the interests of shareholders;
- assess and review director induction, performance and development;
- ensure effective succession planning for the Board; and
- comply with legal and regulatory requirements.

2. Nomination of non-executive directors

- a. The Group Nominations Committee assesses candidates for recommendation to the Board for appointment and election.
- b. In the case of appointment, candidates are assessed paying particular attention to the mix of skills, experience, expertise, diversity (see below) and other qualities of existing directors. How the candidate's attributes will balance and complement those qualities is taken into account.

The process includes consideration of the following.

- Selection criteria, having regard to the Board skills matrix.
 - An assessment of independence of the candidate (see below).
 - Appropriate checks, including as to the person's character, experience and education and background checks.
 - Current and past associations of candidates.
 - The appropriateness of other directorships.
 - The ability of the candidate to meet the time commitment required (as advised to the candidate) and receipt of an acknowledgement from the candidate that they will have sufficient time to fulfill their responsibilities as a director.
- c. In the case of re-election, the assessment process takes into account the continued suitability of the director, including an assessment of independence of the director, annual performance reviews and the length of tenure of the director.
 - d. In the case of a director who has been appointed by the Board and seeks election for the first time, the recommendation to shareholders takes into account the assessment of independence of the director, the checks undertaken and, depending on the period between the appointment and the general meeting, any annual performance reviews.

- e. The Group Nominations Committee may generate a list of candidates with input from the CEO, directors and the Board, or use the services of an executive search firm to develop a list. An executive search firm may also be used to assist in the assessment of candidates.

3. Board diversity

- a. The Board believes that a wide array of perspectives that result from diversity promotes innovation and business success. Diversity makes the Board more creative, flexible, productive and competitive.
- b. The Board recognises that each Board member brings their own distinct capabilities, experiences and characteristics to their role. These differences may include gender, age, ethnicity, race, sexual orientation, physical abilities, religious beliefs, and other ideologies. Diversity also extends to differences surrounding socio economic or educational background, marital status and family responsibilities.
- c. Appointments are merit based and the Board takes into account its measurable objectives for gender diversity.

4. Independence of directors

- a. The Board has adopted a policy that the majority of its directors must be independent. It makes this assessment on appointment and annually, as well as if any new information or change in circumstances requires. A director is required to notify the Board as and when changes occur.
- b. The Board considers that a director is independent if the Board assesses the director as being free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than the interests of an individual security holder or other party.
- c. The Board is to take into account the interests, positions and relationships set out below in making that assessment. In each case, the Board is to assess the materiality of any interest, position or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.
 - i. [Executive relationship] The person is, or has been, employed in an executive capacity by the Company or any of its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the Board
 - ii. [Performance-based remuneration] The person receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company.
 - iii. [Material business relationship] The person is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any of its subsidiaries, or is an officer of, or otherwise associated with, someone with such a relationship.
 - iv. [Substantial holder] The person is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder.
 - v. [Close personal ties] The person has close personal ties with any person who falls within any of the categories described above.

- vi. [Long tenured director] The person has been a director of the Company for such a period that their independence from management and substantial holders may have been compromised.

5. Appointment and election

- a. Should a Board vacancy fall between annual general meetings, the agreed candidate may be appointed by the Board to fill a casual vacancy or as an addition to the Board. The director then holds office until the next annual general meeting and is eligible for election at that meeting.
- b. A new director receives an appointment letter and a deed of indemnity. The matters covered by the letter include termination and resignation, the time commitment, fees and expenses, code of conduct, confidentiality and insurance.

6. Induction and ongoing professional development

- a. Each new director undertakes an induction program to familiarise the director with the Group's business and strategy. The program is structured to make sure that the new director is introduced to senior executives and the business and acquainted with relevant business operations. This includes access to a directors' induction pack containing information about corporate governance policies and the business of the Company along with one-on-one sessions with senior executives.
- b. Each director is required to accrue Continued Professional Development (CPD) hours. Directors are supported through in-house education and access to any external training required to maintain the skills and knowledge needed to perform their roles as directors effectively.

7. Outside appointments

- a. A non-executive director must notify and receive confirmation from the Chair before accepting any external appointments, including board appointments.
- b. The Chair will assess the proposed appointment and consider whether it may create a conflict of interest and/or impair the director's ability to devote the necessary time and focus to their role as a director. The Chair may consult with other directors, the Group Company Secretary and the Chief Legal Officer before advising the director of their assessment.
- c. In the case of the Chair of the Board proposing to accept a new appointment, the same provisions apply, however the Chair of the Group Risk and Compliance Committee undertakes the assessment instead of the Chair of the Board.

8. Non-executive director remuneration

- a. The Group People & Remuneration Committee recommends to the Board the remuneration framework for the Chair and non-executive directors.
- b. In setting fees, the Board considers the following:
 - The ability to attract, retain and motivate directors.

- General industry practice and fees paid to non-executive directors of comparable companies, best principles of corporate governance.
- The responsibilities and risks attached to the role.
- The time commitment expected of non-executive directors on Group and Company matters.

In order to ensure independence and impartiality, fees are not linked to Company performance. Non-executive directors are not eligible to participate in any of the Group's incentive arrangements.

- c. Non-executive directors receive a fixed fee for Board membership including superannuation. The Chair receives a higher fixed fee including superannuation in recognition of the additional time commitment and responsibilities. In addition, a non-executive director (other than the Board Chair) is entitled to receive the following fees.
- For a non-executive director sitting on a Group Committee (other than the Committee chair), a fee for that Committee.
 - For the Chair of a Group Committee, a fee for chairing that Committee.
 - A fee for a non-executive director sitting on one or more Responsible Entity Boards.
 - A fee for a non-executive director sitting on one or more or Registrable Superannuation Entity Boards.

Note: For the avoidance of doubt only one fee is payable for sitting on Responsible Entity Boards, even if a director sits on multiple boards. Only one fee is payable for sitting on Registrable Superannuation Entity Boards, even if a director sits on multiple boards. No additional fee is payable for sitting on or chairing committees of those Boards.

9. Performance assessment

- a. The Group Nominations Committee recommends to the Board the process (including criteria) for Board performance, Committee performance and individual director performance assessment.
- b. The Board must assess its performance relative to its objectives and against its responsibilities under this Policy annually. At least every three years the performance is assessed by an external facilitator.
- c. The Board must assess the performance of individual directors including the Chair annually.
- d. The Board must review evaluations by Committees of performance relative to objectives and against responsibilities under the Committee terms of reference annually.
- e. Areas for continuous improvement identified through a review of the Board are to be documented and taken forward for action as agreed, with timelines and progress tracked half-yearly through Secretariat reports. The same process is to be adopted by Committees.

10. Succession planning and renewal

- a. The Group Nominations Committee is responsible for making recommendations to the Board on succession planning, including assessing that the Board has the required balance of skills, experience and expertise. The Board reviews its size, composition and succession planning

at least annually and assesses whether there is a need for any new non-executive director appointments.

- b. As part of succession planning, non-executive director appointments are planned to take place over time to support continuity, the introduction of fresh perspectives and the development of the knowledge and experience of new directors.
- c. Generally, the Board considers that a maximum appointment period of 9 years for a non-executive director (and 12 years for the Chair) from the date of first election is appropriate. There may be exceptional circumstances where a longer tenure is desirable. The Board may decide this is the case only if it is in the interests of shareholders, for example, to retain the skills and experience of the director where it would better manage the process of Board renewal.

11. Policy review

This Policy must be reviewed annually by the Policy Owner. The Board must review this Policy within at least 3 years from the date it was last reviewed. Any material changes must be approved by the Board. Non-material amendments may be approved by the Policy Owner.

12. Document information

Title	Board Nominations and Remuneration Policy
Owner	Company Secretary
Approved by	Board of IOOF Holdings Ltd
Hierarchy level	Level 1 – Board policies
Effective date	1 January 2021
Last reviewed	H2 2021, amended H2 2021
Next review	H1 2024