

### Composition of the Committee

The committee is chaired by the IQA President and consists of the President, deputy president, and Immediate Past President. An alternate Chair will be agreed to at the start of any meeting that the Chair is unable to attend. The alternate Chair must be a member of the IQA Board. A quorum for a meeting of the Committee is two members. A decision is made by the Committee if it is supported by a majority of members present at the meeting, or otherwise in the event of a tied decision, the Chair will have the presiding vote. The Chief Executive Officer ('CEO') may attend Committee meetings by invitation.

Boards may from time to time co-opt non-Board members to serve on a committee in order to bring additional skills, experience or networks. The Committee, after notifying the President, may seek advice from the Company's legal advisers or other independent advisers or consultants as deemed appropriate by the Committee.

The Company Secretary ('CS') will attend and minute the committee meetings.

### Objective of the Committee

The objective of the Committee is to review and make recommendations to the Board on remuneration and, performance frameworks and retention, succession and termination processes for the CEO and CS.

### Charter of the Remuneration Committee

The responsibilities of the Remuneration Committee shall be:-

#### a) Remuneration

The role of the Committee in relation to remuneration is to advise the Board on matters relating to the remuneration of the CEO and CS.

The Committee will be responsible for:

- i) reviewing, determining and recommending to the Board remuneration arrangements for the CEO and CS. In fulfilling this role, the Committee will ensure that the structure of the recommended remuneration package:
  - (1) is market related and appropriate for the responsibilities of the role,
  - (2) creates a strong retention mechanism,
  - (3) recognises and rewards performance, and
  - (4) provides incentive and motivation for that person, as part of management, to pursue the long term growth and success of the Institute within an appropriate control framework.
- ii) reviewing and recommending to the Board the operation of the Institute's incentive or performance plans, and
- iii) reviewing and recommending to the Board the Institute's recruitment, retention, succession and termination policies and procedures for the CEO and CS.

The responsibility for the day-to-day operation and administration of the Institute has been delegated to the CEO and his/her team. The Board have delegated a number of its powers to the CEO and CS.



**b) Performance Evaluation**

The CEO is the key employee and the CS is the key contractor of the Institute. As such a special relationship exists between the CEO, the CS and the Board.

The detailed CEO and CS performance evaluation is assigned to the Committee, with the process coordinated by the Chairman of the Committee being the President. The Committee will prepare a brief report for the full Board after discussion with the CEO and CS. However, the performance of the CEO and CS is a matter for full Board deliberation and is a separate agenda item at the relevant Board meeting. The CEO and CS performance evaluation will utilise both quantitative and qualitative measures. Evaluation will be judged against the approved strategic and operational plan and performance objectives.

The CEO and CS performance evaluation will occur annually, shortly after the end of the financial year results are finalised and the results will be tabled for approval at the next Board meeting. At this time, the Committee the CEO and CS will discuss and agree on goals and objectives (both quantitative and qualitative) for the new financial year and report these to the Board for approval. The Committee is responsible for approving the CEO's and CS's scope statement.

**Empowerment of the committee**

The committee will refer any significant matters or issues to the Board for consideration, with recommendations on appropriate remedy. The Board has the discretion to override a recommendation of the committee.

The committee is to recommend to the Board for approval, any variations in the remuneration levels, any bonuses or incentive payments of the CEO or CS.

The Board or President of the Board may refer a matter that falls within the scope of this charter for the committee to consider and report back to the Board.

**Meetings of the committee**

The committee will convene at least once per year to consider the performance appraisal of and setting of performance objectives for the CEO and CS, and to consider this charter and to report to the Board. The convening of the meeting may be a verbal arrangement. The committee will report to the board on such meetings.

**Reporting to the Board**

The committee will report as necessary to the Board on the outcome of any planned or ad hoc findings.

All committees shall review their terms of reference annually, including their membership and the results of their work and so report to the Board.