G8 Education Limited
ABN: 95 123 828 553

Nomination and Remuneration Guidelines
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1. Introduction

The Nomination and Remuneration Guidelines are to assist the Board of G8 Education Ltd and its controlled entities (“G8 Education Ltd”) in fulfilling its responsibilities to shareholders. The Guidelines aim to ensure that the Board is comprised of individuals who are best able to discharge the responsibilities of directors and remuneration arrangements are equitable and transparent.

The responsibilities of the Board include:

- **Board Performance and Director Selection:**
  - assessing the skills and competencies required on the Board;
  - from time to time assessing the extent to which the required skills are represented on the Board;
  - establishing processes for the review of the performance of individual directors and the Board as a whole;
  - establishing processes for the identification of suitable candidates for appointment to the Board; and
  - recommending the appointment and removal of directors.

- **Remuneration:** (Refer Remuneration Policy at Annexure 2)
  
  Establish and review:
  
  - an executive remuneration and incentive policy;
  - the remuneration of the MD/CEO, COFO, and all senior management;
  - an executive incentive plan;
  - the remuneration of non-executive directors, ensuring that non-executive directors remuneration does not include incentives or equity participation schemes, other than options granted at the IPO of the Company;
  - recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the chief executive officer and any other executive director and all senior management; and
  - the disclosure of remuneration in G8 Education Ltd’s external reports.
2. Duties and responsibilities

2.1 Board Performance and Director Selection

2.11 Current board

Skill requirements
The Board will periodically assess the skills required to discharge the Board’s duties, having regard to the strategic direction of G8 Education Ltd.

The Board will, as and when it considers appropriate, but in any event whenever an existing non-executive director retires, assess the skills represented on the Board by the non-executive directors and determine whether those skills meet the required skills as identified.

Skill enhancement
The Board will consider means by which skill levels of existing non-executive directors can be enhanced.

2.12 New candidates

Candidate identification
Having regard to the skills required and the skills represented, the Board will implement a process (refer Annexure 3) for the identification of suitable candidates for appointment to the Board.

Re-nomination of retiring non-executive directors
The Board will consider the names of non-executive directors who are retiring in accordance with the provisions of the constitution and determine whether the Board should support the re-nomination of that retiring director.

2.13 Appointment of directors
Once the Board, has decided to appoint a new candidate to non-executive director, G8 Education Ltd will provide the letter of appointment in the form approved by the Board from time to time to the new non-executive director.

2.14 Induction procedure
There are many issues, procedures and policies that a new non-executive director of G8 Education Ltd will need to be aware of and understand. To assist a new non-executive director in his or her induction, G8 Education Ltd will follow the new directors induction procedure set out in Annexure 1.
2.15 **Evaluation process**

A performance evaluation process applies to:

- the Board;
- board committees; and
- individual directors

The objective of this process is to add value to the contribution made by each director and the Board.

2.16 **Executive remuneration policy**

- review G8 Education Ltd’s policy for determining executive remuneration and any amendments to that policy proposed from time to time by management;
- review the on-going appropriateness and relevance of the executive remuneration policy;
- consider whether to seek shareholder approval of the executive remuneration policy; and
- oversee the implementation of the remuneration policy.

2.17 **Executive directors and senior management**

- consider the remuneration for the chief executive officer and any other executive director, (including base pay, incentive payments, equity awards, retirement rights, service contracts) and determine whether any shareholder approvals are required; and
- review the proposed remuneration (including incentive awards, equity awards and service contracts) for senior management.

2.18 **Executive incentive plans**

- review the design of all executive incentive plans; and
- review the total proposed payments from each executive incentive plan.

2.19 **Non-executive director remuneration**

- review and establish the level of remuneration for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type; and
- where necessary seek an increase in the amount of remuneration for non-executive directors approved by shareholders.
2.20 **Termination payments**

- review and establish termination payments payable to CEO and other directors;
- consider the consequences of all appointments not working out and other costs and impacts resultant of early termination; and
- enforce a policy whereby no termination payment will be made in the case of removal for misconduct.

3. **Disclosure**

Consistent with the disclosure policy the Board will review all public disclosures and statements concerning matters that are subject of these Guidelines including disclosures in:

- ASX announcements;
- the annual report; and
- press releases.

The Board is to ensure that any notice of meeting containing a resolution for the election of a director is appropriately framed and includes information that investors might reasonably need in order to make an informed decision about the relevant candidates.

Certain obligations under directors and senior executives’ employment agreements, more specifically terms relating to remuneration, may trigger a continuous disclosure obligation under Listing Rule 3.1.

4. **Review**

The Board will conduct an annual review of these Guidelines to ensure that they remain consistent with the Board’s objectives and responsibilities. The Board will need to approve any amendments to the Guidelines that stem from the review.

5. **Publication of the Guidelines**

A copy of these Guidelines is available on the G8 Education Ltd’s website [www.g8education.com](http://www.g8education.com)
ANNEXURE 1

New directors and executives induction procedure

This document sets out the induction procedure applicable to new non-executive directors.

Step 1  Induction pack

Provide the director with an induction pack. The induction pack will include the following:

- G8 Education Ltd’s constitution (including a summary of the key provisions);
- Organisational structure diagram;
- Relevant G8 Education Ltd policies;
- Audit and Risk Management Committee Charter;
- Board Charter;
- Nomination and Remuneration Guidelines;
- Corporate code of conduct;
- Continuous Disclosure Policy;
- Directors’ code of conduct;
- Securities Trading Policy;
- Most recent annual financial reports;
- A copy of the last Board meeting package;

Step 2  Management presentations

Presentations on the different aspects of G8 Education Ltd’s business be given by the following:

- Chief Executive Officer
- Chief Operating and Financial Officer
- Marketing Manager, and
- Company Secretary

Step 3  Site visits

Provide the director a tour of G8 Education Ltd’s operating sites, including a number of child care centres.

Step 4  Ongoing access to information

Provide a briefing on contacts within G8 Education Ltd for information and what information is available.

Step 5  Further training

Identify need for and arrange any specific further training which may be required.
Remuneration Policy

Remuneration of Directors and senior executives is overseen by and subject to the approval of the Board.

The Board must ensure that the structure of Non-Executive Directors’ remuneration is distinguished from that of Executive Directors and senior executives. Executive Directors receive a salary and may receive other benefits. Non-Executive Directors receive a set fee per annum, plus statutory superannuation entitlements, apart from those Directors who received share options or shares as a one-off transaction. Both are fully reimbursed for any out of pocket expenses necessarily incurred in carrying out their duties.

G8 Education Ltd prohibits Directors and senior management from entering into transactions which limit the economic risk of participating in unvested entitlements. This prohibition includes hedging of unvested options or any other activity which may negate the incentive such options provide.
ANNEXURE 3

Procedure for Nomination and Appointment of Directors

Following the annual review of Board performance, or when a director resigns, if the Board believes that new Directors should be appointed, the Board will source suitable candidates through industry contacts and/or professional bodies for evaluation by the Board as a whole.

When new Directors are appointed the Board will normally appoint the Director and seek his re-election by shareholders at the next Annual General Meeting by providing information on the Director’s suitability for the role.

Shareholders may nominate directors and in that regard the Constitution states:-

“47 Retirement of Directors

(f) No person other than a Director retiring under this Article 47 or a Director appointed under Article 46(b) or a person nominated by the Board, is eligible to be appointed as a Director at any meeting of Shareholders unless a nomination signed by a Shareholder accompanied by the consent of the nominee to act is given to the Company at least 35 Business Days before the meeting (or in the case of a meeting that Shareholders have requested the Directors to call, 30 Business Days)”