JAPARA

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Letter from the Chairman of the Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Japara Healthcare Limited audited Remuneration Report for the year ended 30 June 2019.

FY2019 performance

Japara delivered a profit after tax of $16.4 million for FY2019, down $6.9 million on the FY2018 result. While revenue increased by 7.1% on FY2018, this growth was more than offset by staff wage rate increases, which exceeded the rises in Federal Government care funding, and increases in other items such as utility expenses and additional costs incurred relating to the Aged Care Royal Commission.

Japara is responsible for almost four thousand valued residents under a model centred on providing excellent care and services with dignity and respect. The ongoing commitment by staff to excellence in care saw 10 of our homes re-accredited by the Federal Government regulator during FY2019 in addition to 57 unannounced assessment contacts audits undertaken. Japara has maintained full accreditation across its entire portfolio and continues to have registered nurses on every shift at every one of its homes.

Excellent progress was made with our developments program during FY2019. Three new greenfield developments and two brownfield extensions were completed and opened adding 303 new places to the Company's portfolio. We also recently completed and opened our newest and 50th home in Robina on the Gold Coast. With a further 15 projects currently in progress, Japara expects to deliver over 1,100 net new places by the end of FY2022.

Japara maintained a strong balance sheet and cash flows during FY2019. A new $345 million syndicated loan facility was also secured through to September 2023, providing financial certainty that aligns to Japara's business strategy including funding for its developments program as well as for general purpose requirements.

FY2019 remuneration outcomes

Despite the above achievements, no Executive incentives vested in FY2019.

The earnings gateway for the FY2019 Executive Incentive Plan was not met, resulting in this incentive being forfeited. The FY2017 long term incentive grant, eligible for vesting at 30 June 2019, also did not vest.

As outlined in table 16.4.4 of the Remuneration Report, this is the third successive year where zero incentives have vested for our Executives. We see this as a reflection of the external factors that have impacted the business over this period, and believe that we have an excellent Executive team in place that will lead Japara strongly into the future.

Fixed remuneration for the Executives was increased by 2.5% for FY2019 after taking into account that there had been no change since FY2017.

FY2020 remuneration framework changes

Following external stakeholder feedback from the 2018 AGM and in recognition of the difficult operating environment, and Japara's financial and current share price performance, there are a number of substantial remuneration framework changes in FY2020.

In designing the new framework, the Board has sought to balance the position of shareholders with the need to both retain and reward Executives appropriately for their contributions, taking into account the complexity, effort and outcomes required by the business in context of the sectoral factors including the focus of the Aged Care Royal Commission and residential aged care specific funding issues.

Key changes to the FY2020 Executive remuneration framework include:

- The CEO (Andrew Sudholz) has volunteered to reduce his ongoing fixed remuneration. From 26 August 2019, his fixed remuneration will be reduced from $1,015,000 to $800,000 and be accompanied by a one-off grant of equity equivalent to the pro-rata amount of the reduction, being $182,000. Any incentive opportunities will be based off the reduced fixed remuneration; and
- The removal of the FY2019 Executive Incentive Plan and replacing it with separate short-term incentive and long-term incentive plans.

More detail on the above changes has been provided in section 16.3 of the Remuneration Report.

With respect to remuneration arrangements for other Group employees, the majority of these (being nurses and other home staff) are covered under separately negotiated Enterprise Bargaining Agreements. These EBAs are set at a State level and typically contain fixed annual increases which are higher than aged care funding instrument (ACFI) increases set by the Federal Government.

The Board looks forward to your continuing support of our remuneration policies and practices and recommends this Remuneration Report and changes to the performance based incentive framework for FY2020 to you.

JoAnne Stephenson

JoAnne Stephenson
Chairman, Remuneration and Nomination Committee
26 August 2019

16. Remuneration Report - Audited

Contents

16.1 Key management personnel
16.2 Executive remuneration principles
16.3 FY2020 executive remuneration framework changes
16.4 FY2019 executive remuneration outcomes
16.5 FY2019 executive remuneration framework
16.6 Remuneration governance
16.7 Non-executive director remuneration
16.8 Other statutory disclosures

16.1 Key management personnel

This remuneration report sets out the remuneration arrangements of key management personnel (**KMP**) in accordance with the **Corporations Act 2001** and Australian Accounting Standards for the year ended 30 June 2019 (**FY2019**).

For the purposes of this report, KMP is defined as those people who have the authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly.

The following non-executive directors of the Company and Group executives were classified as KMP for the entire FY2019 period:

Non-executive directors	
Linda Bardo Nicholls AO	Chairman
David Blight	Former Chairman of the Remuneration and Nomination Committee (to 30 June 2019)
JoAnne Stephenson	Chairman of the Remuneration and Nomination Committee (from 1 July 2019) and former Chairman of the Zero Harm Committee (to 30 June 2019)
Richard England	Chairman of the Audit, Risk and Compliance Committee

Executives	
Andrew Sudholz	CEO & Managing Director (**CEO**)
Chris Price	Chief Financial Officer (**CFO**)

Leanne Rowe AM was appointed a non-executive director of the Company effective from 1 July 2019 and was therefore not a KMP for the FY2019 period. Leanne is now Chairman of the Zero Harm Committee.

16.2 Executive remuneration principles

16.2.1 Remuneration policy

KMP remuneration is determined in accordance with a documented remuneration policy which has been approved by the board of directors (**Board**). The policy provides a framework governing the Group remuneration arrangements and is underpinned by the principles of fair and responsible compensation.

16.2.2 Executive remuneration arrangements

The remuneration structure for executives is designed to attract and retain high calibre, exceptionally skilled and experienced candidates, reward them fairly and competitively for their roles and for the achievement of performance targets. In addition, it seeks to strike a balance between improved performance outcomes, regulatory compliance, shareholder aspirations and consumer and community expectations.

The remuneration structure specifically takes into account:

- the scope and responsibilities of the executive's role;
- the capability and experience of the executive;
- remuneration of a comparator group comprising ASX 300 companies with similar characteristics to the Group, including industry sector, scale and business complexity;
- shareholder, consumer and community expectations;
- the executive's ability to influence Group performance including profitability and earnings growth; and
- compliance with required clinical, regulatory and other governance standards.

16.3 FY2020 executive remuneration framework changes

In light of feedback received at the 2018 AGM, the Board reviewed the Group's remuneration framework having regard to strategy and the external operating environment, and made a number of adjustments to the performance based component of executive remuneration. Below is a summary of the changes to the FY2020 executive remuneration framework and accompanying rationale:

FY2020 framework change	Further detail	Rationale
Voluntary reduction in fixed remuneration - CEO	In FY2019, the CEO's fixed remuneration was $1,015,000. From 26 August 2019, the CEO's fixed remuneration will be reduced to $800,000 and he will receive a one-off grant of equity with a face value of $182,000, equivalent to the pro-rata amount of the reduction, which will vest on 30 June 2020 subject to his continued employment with the Company. All incentives in FY2020 will be based off his reduced fixed remuneration.	In recognition of the difficult operating environment and Japara's financial and current share price performance, the CEO has voluntarily reduced his fixed remuneration. This reduction will also reduce the level of incentives that he can earn in FY2020 (and beyond), which are expressed as a percentage of fixed remuneration. The one-off equity grant is a transitionary arrangement applying only for one year. All incentives in FY2020 (and beyond) will be based off the reduced fixed remuneration.
One-off retention incentive - CFO	The CFO will receive a one-off retention incentive, which will be granted in performance rights that vest on 30 June 2020 subject to satisfactory performance and continued employment with the Company. The face value of this one-off equity incentive is $135,000.	This is in recognition of broader business responsibilities carried out by the CFO through the Aged Care Royal Commission.
Replacing the FY2019 Executive Incentive Plan with a new incentive framework	The FY2019 Executive Incentive Plan (**EIP**) will be replaced with a traditional short-term incentive (**STI**) plan and long-term incentive (**LTI**) plan.	Significant stakeholder feedback was received at the 2018 AGM regarding Japara's EIP. The Company has acted on this feedback, following engagement with shareholders and proxy advisors.
Reduction in opportunity levels under the new framework	Maximum opportunity levels will decrease from 200% of fixed remuneration under the EIP to 150% under the FY2020 framework. Specifically, maximum STI will be 50% of fixed remuneration and maximum LTI will be up to 100%.	As above.
Extension of performance period under the new framework	The new LTI plan will have a four-year performance period.	Greater alignment with the long-term interests of shareholders.
Greater equity-based element under the new framework	50% of the STI will be delivered in equity and subject to deferral for 12 months. The remaining 50% will be delivered as cash following the end of the performance period. All of the LTI will be delivered via equity (performance rights).	As above.

16.4 FY2019 executive remuneration outcomes

16.4.1 Company performance

Executive remuneration arrangements are in part designed to incentivise senior management to deliver improved earnings and shareholder return outcomes. The Board considers a range of financial and non-financial performance metrics when setting and assessing executive remuneration incentives, which take into consideration such outcomes. The following table summarises earnings and shareholder return metrics for the Group over the last five years:

Financial measure	FY2019	FY2018	FY2017	FY2016	FY2015
EBITDA ($'000)	**49,553**	50,653	60,160	56,102	50,590
NPAT ($'000)	**16,433**	23,327	29,712	30,375	28,839
EPS (cents)	**6.16**	8.78	11.22	11.54	10.97
Dividends per share (cents)	**6.15**	7.75	11.25	11.50	11.00
Year end share price ($)	**1.13**	1.81	2.10	2.55	2.57

The Group's financial performance since 1 July 2014, measured in terms of earnings and shareholder returns, has been relatively flat and more recently declining. This performance has been significantly impacted by external factors affecting the residential aged care sector including changing regulations and cost inflation relative to available funding.

16.4.2 Performance assessment – FY2019

The Board determined that while the gateways relating to accreditation, regulatory and compliance guidelines were met, and a number of the individual KPI's were achieved, the Group's EBITDA growth for the year did not meet the threshold level. Accordingly, no performance based remuneration under the EIP was awarded for FY2019.

The performance based 'incentive' remuneration arrangements for executives for FY2019 are set out below:

Remuneration amounts

	Maximum incentive remuneration achievable at target level $'000	Incentive remuneration awarded $'000
Andrew Sudholz (CEO)	1,015	0
Chris Price (CFO)	538	0

Performance criteria

The award of performance based remuneration is subject to the achievement of set performance criteria comprised of common gateways and individual hurdles as determined, assessed and recommended by the Remuneration Committee and approved by the Board.

Financial hurdles reflecting returns and the effectiveness of capital management, together with non-financial hurdles that are aligned to key business objectives and which, in turn, lead to improved business and shareholder outcomes, are used to assess performance.

Financial hurdles are measured in terms of target returns or cost savings whilst non-financial hurdles are measured in terms of target rates of growth, operational improvement and key projects delivered. These measures are approved by the Board and chosen for being objective and easily measured.

The following performance criteria applied to FY2019:

Gateways

- The Group maintaining ongoing accreditation at all operating homes (achieved);
- No material breach of regulatory or compliance guidelines across the Group's business (achieved); and
- The Group's EBITDA growth on the prior year meeting or exceeding a threshold target set by the Board, subject to any appropriate adjustments at the Board's discretion (not achieved).

Notwithstanding that no incentives will be paid for FY2019, an outline of the key performance metrics and what the outcome would have otherwise been are set out below:

Hurdles

Andrew Sudholz (CEO)

Target area	Performance requirement	Weighting	Outcome
Finance	• Deliver a return on invested capital exceeding targeted rate **Rationale: Stretch incentive to increase shareholder returns**	30%	Not achieved
	• Deliver operating improvements resulting in cost savings at a minimum targeted rate **Rationale: Incentive to identify and responsibly deliver operating and cost improvements to increase shareholder returns**	30%	Partly achieved
Growth	• Achieve a minimum targeted average occupancy rate on available beds **Rationale: Incentive to grow revenue through improved occupancy to increase shareholder returns**	30%	Not achieved
Safety	• Achieve an annual average lost time injury frequency rate below an agreed target **Rationale: Incentive to deliver improvement in lost time injuries for the betterment of the workforce and to increase shareholder returns over the longer term**	10%	Achieved
		100%	

Chris Price (CFO)

Target area	Performance requirement	Weighting	Outcome
Finance	• Deliver a return on invested capital exceeding targeted rate **Rationale: Stretch incentive to increase shareholder returns**	30%	Not achieved
	• Manage Group costs to deliver improvements **Rationale: Incentive to identify and responsibly deliver cost improvements to increase shareholder returns**	30%	Not achieved
Organisation	• Implement various agreed ICT systems and initiatives across the Group **Rationale: Incentive to deploy ICT systems and other initiatives across the business for efficiency, to support growth, mitigate risk and increase shareholder returns**	30%	Achieved
Safety	• Achieve an annual average lost time injury frequency rate below an agreed target **Rationale: Incentive to deliver improvement in lost time injuries for betterment of the workforce and to increase shareholder returns over the longer term**	10%	Achieved
		100%	

16.4 FY2019 executive remuneration outcomes continued

16.4.3 Actual executive remuneration outcomes

Below is a summary of KMP remuneration outcomes for FY2019 and comparison with FY2018:

Executives	Total fixed remuneration paid $'000	Total performance based remuneration awarded $'000	Total fixed and performance based remuneration received $'000	Percentage of maximum potential performance based remuneration awarded %
Andrew Sudholz (CEO)				
FY2019	1,032	0	1,032	0
FY2018	1,005	0	1,005	0
Chris Price (CFO)				
FY2019	555	0	555	0
FY2018	540	0	540	0

16.4.4 Five year historical executive remuneration outcomes

Following is a table of historical incentive outcomes for executives over the last five years:

	FY2019	FY2018	FY2017		FY2016		FY2015	
	Incentive[1]	Incentive[1]	Short-term incentive	Long-term incentive	Short-term incentive	Long-term incentive	Short-term incentive	Long-term incentive
CEO								
Awarded	**0%**	0%	0%	0%	95% $457,000[2]	0%	0%	0%
Forfeited	**100%**	100%	100%	100%	5%	100%	100%	100%
CFO[3]								
Awarded	**0%**	0%	0%	0%	90% $225,000[2]	0%	0%	0%
Forfeited	**100%**	100%	100%	100%	10%	100%	100%	100%

1. Single incentive arrangement. Separate short-term and long-term incentive arrangements existed pre FY2018.
2. Amount received.
3. CFO was appointed on 22 June 2015.

16.5 FY2019 executive remuneration framework

In FY2019, executive remuneration comprised:

- Fixed remuneration
  - Including base remuneration and employee benefits (on a total cost basis including any related FBT charges), leave entitlements and employer contributions to superannuation.
- Performance based 'at risk' remuneration
  - Including a mixture of cash and equity issued under an equity incentive plan, to reward executives for exceeding targets set by the Board.

From FY2020, executive performance based remuneration will be based on a more traditional approach comprising separate STI and LTI components.

Executives are required to own equity in the Company equivalent to at least one year's base salary. This can be acquired over a five year period and it is intended that equity incentives be the main conduit for this purpose.

Executives are employed under continuous service agreements which outline remuneration, employment and termination arrangements. The termination notice period has been set at 12 months for the CEO and 6 months for the CFO.

The Group may also terminate an executive's employment by payment in lieu of notice or without notice and payment in lieu for serious misconduct. On termination, executives are entitled to receive their statutory leave entitlements, together with any superannuation benefits.

16.5.1 FY2019 fixed remuneration

Executives' fixed remuneration was increased by 2.5% for FY2019 as determined by the Board, taking into account that there had been no change since FY2017.

The total fixed remuneration paid to each executive for FY2019 and in the prior year is set out below:

	Cash salary[1] $'000	Super-annuation $'000	Fixed remuneration $'000	Other[2] $'000	Total fixed remuneration paid $'000
Andrew Sudholz (CEO)					
FY2019	990	25	1,015	17	1,032
FY2018	965	25	990	15	1,005
Chris Price (CFO)					
FY2019	501	37	538	17	555
FY2018	480	45	525	15	540

1. Cash salary includes salary and leave entitlements paid during the year.
2. Other includes parking and other work related employee benefits.

16.5.2 FY2019 Executive Incentive Plan

Under the EIP applying to FY2019, performance is measured over a 12 month period and uses the levels of the Group's earnings before interest, tax, depreciation and amortisation (**EBITDA**) growth on the prior year as the basis for the formation of the incentive pool. The greater the EBITDA growth, the greater the incentive pool opportunity becomes, subject to various checks and capped upper limits. The incentive is awarded as a mix of cash and deferred equity, which tilts to a larger component of deferred equity as the pool increases. The Board annually sets the required level of EBITDA performance in order for the incentive pool to form.

Gateway measures are used relating to accreditation, compliance and budget, together with a balanced score card approach to determining individual performance. A cap is applied to the incentive pool. In addition, forfeiture and clawback rights are incorporated in the plan and the Board retains a final discretion to avoid any anomalies.

Details of the performance based incentive plan are described in the table below. The plan aligns executives closely to shareholder value through its focus on EBITDA delivery, with individual balanced scorecards ensuring KPIs are in place for both financial and non-financial performance hurdles.

16.5.3 Further detail on FY2019 executive remuneration framework

Fixed remuneration principles	Performance based remuneration principles
Amount	**Amount**
• Mid to upper quartile of a comparator group	• Incentive opportunity of between 100% - 200% of fixed remuneration (pre-employee benefits): – 100% at target level; – 150% at stretch level; and – 200% at exceptional level. • Annual pool from which incentives can be awarded is capped at 30% of incremental net profit after tax (**NPAT**). No pool forms until NPAT exceeds prior year outcome.
Delivery	**Delivery**
• 100% cash payment comprising base salary and statutory superannuation contributions • Parking and other work related employee benefits are also provided (calculated on a total cost basis including FBT)	• Mix of cash and equity in the Company via an equity incentive plan. • Mix is subject to performance level achieved: – 50% cash/50% equity at target level; – 40% cash/60% equity at stretch level; and – 35% cash/65% equity at exceptional level.

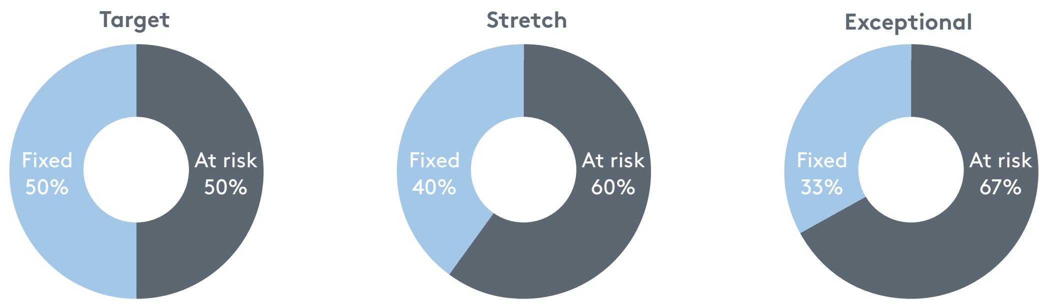
16.5 FY2019 executive remuneration framework continued

16.5.3 Further detail on FY2019 executive remuneration framework continued

Fixed remuneration principles	Performance based remuneration principles
Delivery (continued)	**Delivery (continued)**
	• Performance level determined with reference to level of annual growth in the Group's EBITDA for FY2019: – 10% growth to achieve target level; – 12.5% growth to achieve stretch level; and – 15% growth to achieve exceptional level. Where EBITDA growth falls between two levels, the incentive opportunity is determined on a straight line basis between the two levels. • Cash component payable following release of audited annual financial report, subject to continued employment until this date. • Equity component granted as performance rights on or shortly after the date of the Company's next annual general meeting. Rights are subject to a 24 month vesting period from the date of grant and can be converted to the same number of shares in the Company for nil consideration. Vesting is subject to continued employment. Resulting shares are subject to a further 12 month escrow period. Executives will also be allocated additional shares to account for the equivalent value of dividends paid by the Company during the 24 month vesting period. • Board discretion applies to vesting of equity component. Such discretion may include certain decisions upon cessation of employment due to personal circumstances as a 'good leaver'. • Remuneration is subject to forfeiture and clawback under the following circumstances: – material misstatement or omission in the Group's financial statements; – fraud, dishonesty or gross misconduct; – breach of obligations; – an act bringing disrepute to the Group; and/or – conviction or judgement connected with the Group's affairs. • Where there is a change of control event for the Company, the Board may accelerate vesting and lapsing of performance rights and release of shares from escrow. If such an event occurs before the Board has acted, all performance rights will immediately vest, the equivalent value of any dividends paid up to that date will be allocated in shares and escrowed shares will be immediately released.
Considerations	**Performance measures**
• Capability and experience • Role scope and responsibilities • Comparator group benchmarking	• Common gateways requiring achievement of threshold earnings, accreditation and compliance measures and standards to qualify for any performance based remuneration to be awarded. • Individual financial and non-financial performance hurdles reflecting the executives' position to influence outcomes and the achievement of desired Group outcomes. • Award of incentive subject to final Board discretion. • Structured to be earnings accretive, requiring minimum 10% EBITDA growth for FY2019 for award and capped at a maximum of 30% of incremental NPAT.
Objectives	**Objectives**
• Attract and retain high calibre executives with exceptional skills and experience	• Annual performance based incentive to align executives with "stretch" business objectives. • Encourages performance above and beyond "come-to-work" requirements subject to first achieving minimum 'gateway' standards. • Incentivises achievement of prioritised and targeted outcomes in key areas including organisation, safety, growth and finance. • Assists with executive retention through equity vesting arrangements.

16.5.4 FY2019 remuneration mix

Below is the maximum potential remuneration mix for executive KMP in FY2019 showing the fixed and performance based 'at risk' components at the various potential incentive levels.



16.6 Remuneration governance

16.6.1 Board & Remuneration and Nomination Committee

The Board determines KMP remuneration with assistance from the Remuneration and Nomination Committee (**Remuneration Committee**). The Remuneration Committee comprises non-executive directors of the Company who are independent of management and act in accordance with a Board approved charter. The Remuneration Committee seeks to strike an appropriate balance between the Group's various stakeholders in performing its role, as well as mitigating risk wherever possible.

The Remuneration Committee annually reviews and recommends to the Board:

- arrangements for executives including fixed and performance based 'at risk' remuneration, performance criteria and associated payments and awards; and
- arrangements for non-executive directors including remuneration, travel and other reimbursements.

In making its recommendations to the Board, the Remuneration Committee has particular regard for non-financial metrics including clinical quality, regulatory compliance and ethical standards. The Remuneration Committee monitors any staff and Group compliance breaches, including with assistance from the other Board committees.

Award of performance based remuneration is subject to the Board's final discretion. The Board may seek to exercise such discretion during circumstances where shareholder and other stakeholder expectations have not been met.

16.6.2 Remuneration recommendations

The Remuneration Committee considers comparator and other remuneration information from independent external providers as required. Such information is used for informed decision making purposes and is not a substitute for detailed consideration and debate of remuneration matters by the Remuneration Committee.

No remuneration recommendations were provided to the Group by external providers for FY2019.

16.7 Non-executive director remuneration

16.7.1 Non-executive director remuneration principles

Non-executive directors are remunerated for their services to the Group. The maximum aggregate amount of remuneration (**the pool**) payable to non-executive directors is approved by the Company's shareholders. Non-executive director remuneration comprises only fixed remuneration (including statutory superannuation contributions), with the maximum aggregate amount payable capped at $1,000,000 as determined by the Company's shareholders on 4 April 2014.

The Board annually determines the fees each non-executive director is entitled to receive from the pool having regard to remuneration benchmarking as well as the Group's historical earnings and shareholder outcomes when determining non-executive director remuneration levels. Such factors are balanced against the need to remain competitive on remuneration to attract and retain suitably skilled and experienced directors. The same comparator group used for executive remuneration benchmarking purposes is used for benchmarking non-executive director fees.

16.7 Non-executive director remuneration continued

16.7.1 Non-executive director remuneration principles continued

The Board Chairman and the chairman of each standing committee of the Board typically receive fees commensurate with the additional duties and responsibilities of these roles. Non-executive directors do not participate in performance based remuneration and have no retirement benefit schemes other than receiving statutory superannuation contributions.

Non-executive directors are entitled to be reimbursed for reasonable travel and other expenses incurred in discharging their duties including attending Board, committee and general meetings.

The Board has adopted a policy requiring non-executive directors to hold shares in the Company equivalent to at least one year's director's fees which can be acquired over a five year period following appointment. This policy seeks to further align the interests of non-executive directors with shareholders more generally. The Company operates a voluntary share purchase plan to assist non-executive directors in building their shareholdings in the Company.

16.7.2 FY2019 non-executive director remuneration

Total non-executive director fees for FY2019 were $625,000 (FY2018 $625,000) as follows:

- $250,000 to the non-executive chairman (FY2018 $250,000);
- $105,000 to each other non-executive director (FY2018 $105,000); and
- an additional $20,000 to the chairman of each standing committee of the Board (FY2018 $20,000).

There will be no changes to non-executive director fees or the fee pool for FY2020.

Non-executive directors	Board fees earned $'000	Committee chairman fees earned $'000	Total fees earned $'000
Linda Bardo Nicholls AO (Chairman)			
FY2019	250	-	250
FY2018	250	-	250
David Blight			
FY2019	105	20	125
FY2018	105	20	125
JoAnne Stephenson			
FY2019	105	20	125
FY2018	105	20	125
Richard England			
FY2019	105	20	125
FY2018	105	20	125

16.7.3 Statutory disclosure of non-executive director remuneration outcomes

Non-executive director remuneration included within employee benefits expense in the Statement of Profit or Loss and Other Comprehensive Income for FY2019 follows:

	Short-term benefits		Post-employment benefits	
	Fees paid $'000	Non-monetary benefits paid $'000	Superannuation benefits paid $'000	Total fees $'000
Linda Bardo Nicholls AO (Chairman)				
FY2019	228	-	22	250
FY2018	228	-	22	250
David Blight				
FY2019	114	-	11	125
FY2018	114	-	11	125
JoAnne Stephenson				
FY2019	114	-	11	125
FY2018	114	-	11	125
Richard England				
FY2019	114	-	11	125
FY2018	114	-	11	125
Total				
FY2019	570	-	55	625
FY2018	570	-	55	625

16.8 Other statutory disclosures

16.8.1 Total executive remuneration

The remuneration of executives calculated in accordance with applicable accounting standards for FY2019 follows:

	Short-term benefits		Post-employment benefits				Performance based ('at risk')			
	Salary paid $'000	Non-monetary benefits paid $'000	Superannuation benefits paid $'000	Annual leave entitlements accrued $'000	Long-service leave entitlements accrued $'000	Total fixed remuneration $'000	Payable in cash $'000	Payable in cash deferred for 12 months $'000	Share-based payments accrued[1] $'000	Total fixed and performance based remuneration $'000
Andrew Sudholz (CEO)										
FY2019	981	17	25	70	(69)	1,024	-	-	-	1,024
FY2018	890	15	25	68	14	1,012	-	-	-	1,012
Chris Price (CFO)										
FY2019	488	17	37	37	11	590	-	-	-	590
FY2018	443	15	46	36	6	546	-	-	-	546
Total										
FY2019	1,469	34	62	107	(58)	1,614	-	-	-	1,614
FY2018	1,333	30	71	104	20	1,558	-	-	-	1,558

1. Calculated using the Black-Scholes valuation methodology in accordance with AASB 2 Share-based payments (see Note D3 to the Company's 2019 Financial Statements).

16.8.1 Total executive remuneration continued

Details of the remuneration of executives, prepared in accordance with statutory obligations and accounting standards, are set out in the preceding table (**Executive Remuneration Table**).

The key difference between executive remuneration amounts presented in section 16.4.3 of this report and the Executive Remuneration Table is that the former shows actual entitlements received during a year and the latter requires that the movement in leave provisions to be recognised in the financial statements as part of the executives' employee benefit expense. A reconciliation between the two tables is set out below:

		Reconciliation to statutory total fixed and performance based remuneration for executives	
	Total fixed and performance based remuneration received by executives[1] $'000	**Movement in leave provisions $'000**	**Total fixed and performance based remuneration statutory $'000**
Andrew Sudholz (CEO)			
FY2019	**1,032**	**(8)**	**1,024**
FY2018	1,005	7	1,012
Chris Price (CFO)			
FY2019	**555**	**45**	**590**
FY2018	540	6	546

1. Reflects fixed remuneration paid and performance based incentive awarded.

16.8.2 KMP shareholdings in the Company

The movement during the year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties, follows:

	Held at 1 July 2018 No. of shares	Acquired during FY2019 No. of shares[1]	Sold during FY2019 No. of shares	Held at 30 June 2019 No. of shares	Nominally held at 30 June 2019 No. of shares
Executives					
Andrew Sudholz (CEO)	15,760,006	2,972	-	15,762,978	15,762,978
Chris Price (CFO)	-	-	-	-	-
Non-executive directors					
Linda Bardo Nicholls AO	129,114	72,487	-	201,601	149,873
David Blight	90,000	-	-	90,000	90,000
JoAnne Stephenson	11,928	25,334	-	37,262	12,000
Richard England	54,009	7,023	-	61,032	-

1. Includes shares issued under the Company's dividend reinvestment plan.

16.8.3 Analysis of movements in equity instruments held by KMP

The executive KMP, including their related parties, did not receive or hold (either directly, indirectly or beneficially) any equity instruments in the Company during the year.

Non-executive directors, including their related parties, are not entitled to receive equity instruments from the Company.