

## 4. NON-EXECUTIVE DIRECTOR REMUNERATION

### NON-EXECUTIVE DIRECTORS

This section outlines the remuneration arrangements in place for the Company's Non-Executive Directors (NEDs). All directors held office for the whole of FY2016, except where otherwise stated. The NEDs for FY2016 are listed below:

NAME	POSITION	COUNTRY OF RESIDENCE
John Grill	Chairman	Australia
Ron McNeilly	Deputy Chairman and Lead Independent Director	Australia
Larry Benke	Director	Canada
Jagjeet Bindra	Director	United States
Erich Fraunschiel	Director	Australia
John M Green	Director	Australia
Christopher Haynes	Director	United Kingdom
Catherine Livingstone	Director	Australia
Wang Xiao Bin	Director	Hong Kong, China

### GUIDING PRINCIPLES

The principles of fairness and shareholder alignment are reflected through the Company's commitment to setting NED fees at a level which remains market competitive, while ensuring they reflect the caliber of directors required to address the significant strategic and operational challenges faced by the Company, domestically and abroad.

For the fifth consecutive year, there will be no increase in annual fees for NEDs in FY2017. The aggregate amount of fees (which include Board and Committee fees) that may be paid to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount of \$3.25 million per annum was approved by shareholders at the 2012 AGM. Of the aggregate annual fee pool, 76% (\$2.47 million) was utilized during FY2016 (69% (\$2.23 million) for FY2015). NEDs do not receive performance related payments.

### REMUNERATION STRUCTURE

#### *Board and Committee fees*

Board and Committee fees for FY2016 and FY2017 are set out below. These amounts are inclusive of superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

ROLE	FY2016 ANNUAL FEES
Chairman <sup>1,2</sup>	\$520,000
Deputy Chairman and Lead Independent Director <sup>1</sup>	\$312,000
Other NED	\$194,000
Chairman of Audit and Risk Committee	\$47,000
Member of Audit and Risk Committee	\$26,000
Chairman of Remuneration Committee	\$37,000
Member of Remuneration Committee	\$21,000
Chairman of Health, Safety and Environment Committee	\$30,000
Member of Health, Safety and Environment Committee	\$12,000
Chairman/Member of Nominations Committee	nil

1 The Chairman of the Board and Deputy Chairman and Lead Independent Director do not receive additional fees for Committees of which they may be a member.

2 Mr Grill requested a temporary reduction in his Chairman fee of \$520,000 per annum in both FY2015 (reduced to \$460,000) and FY2016 (reduced to \$395,053).

#### *Other benefits*

NEDs are eligible to receive travel allowances of \$5,000 per trip for additional time incurred on overseas business related travel including attendance at Board meetings and site visits. These payments are made within the NED fee pool. NEDs are also entitled to be reimbursed for all business related expenses, including travel, incurred in the discharge of their obligations. The Company does not pay retirement benefits to NEDs, except where required by legislation. From time to time, the Board may determine special fees for additional duties undertaken by directors. No such fees were paid in FY2016.

### REMUNERATION OUTCOMES

The remuneration outcomes of the NEDs for FY2016 and FY2015 are set out in the Remuneration Tables section of the report, on page 49.

### NED INTERESTS IN SHARES AND PERFORMANCE RIGHTS

The NED beneficial interests in shares and performance rights of the Company as at 30 June 2016 is detailed in the Remuneration Tables section of the report, on page 49. The service and performance criteria for the rights are discussed in the LTI Plan section on page 39.

#### *NED minimum shareholding requirement*

A minimum shareholding requirement exists to provide alignment between director and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent in value to that director's annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director. For the purpose of this test, the value of shares is calculated using the number of shares held at 30 June 2016 multiplied by the five day volume weighted average price of the Company's shares up to and including 30 June 2016 (\$7.06) or purchase price if higher. All NEDs currently comply with the minimum shareholding requirement.