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 2018.

FY2018 summary

As the Directors' Report outlines, Japara delivered a profit after tax of $23.3 million in a challenging operating environment including the absence of indexation on Federal Government care funding and occupancy pressures associated with the abnormally severe influenza outbreak experienced during the first half of the year.

Japara continued to provide outstanding care and services to residents during the year across its large portfolio of homes. It also continued to make strong progress on its development program with the opening of 'Riverside Views' in Launceston, Tasmania in October 2017 and is nearing completion of three other new homes in Glen Waverley and Rye in Victoria and Brighton-Le-Sands in New South Wales. A further 14 projects are currently in progress, with the Group on track to deliver over 1,200 net new places by the end of FY2022.

Another highlight for the year was the acquisition of the Riviera Health portfolio in New South Wales on 1 April 2018 comprising 4 operating residential aged care homes, a near completed replacement home, surplus bed licenses and other real estate assets. These homes, acquired at exceptional value, are expected to provide an uplift in profit in FY2019.

Japara continued its good record of strong cash generation during the year and with a strong balance sheet and available liquidity, including bank debt facilities, is well positioned to achieve its future growth strategy.

FY2018 remuneration performance outcomes

- An enhanced performance based incentive framework was adopted in FY2018 which folded existing short term and long term incentive arrangements into a single incentive plan. This framework provides a more focussed and structured incentive arrangement, which is more appropriate to the business, as well as enhancing alignment with the key objectives of the business.
- The earnings gateway for the incentive granted to the CEO and Managing Director and the Chief Financial Officer (the Executives) in FY2018 was not met, resulting in this incentive being forfeited. The maximum incentive forgone at the target performance level totalled $1,515,000.
- Long term incentive issued to the Executives in FY2016 under the previous incentive arrangements was forfeited in FY2018 as the vesting conditions were not met.

FY2019 remuneration settings

The Board is committed to ensuring that Group employees are compensated fairly and competitively for their contributions and performance based remuneration arrangements are directly linked to the results and objectives of the business.

The Board has reviewed the performance based incentive framework adopted in FY2018 and is comfortable to keep it in place for FY2019.

Other relevant changes to remuneration settings for FY2019 are:

- 2.5% increase in fixed remuneration for the Executives;
- No change in the incentive opportunities (as a percentage of fixed remuneration) for Executives;
- No increase in Non-Executive Director's fees; and
- No change in the total fee pool from which Non-Executive Directors are remunerated.

The majority of the Group's employees (being nurses and other facility staff) are covered under separately negotiated State based Enterprise Bargaining Agreements.

The Board looks forward to your continuing support of our remuneration policies and practices and recommends this Remuneration Report to you.

David Blight
Chairman, Remuneration and Nomination Committee
27 August 2018

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16. Remuneration Report – Audited

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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 2018 (**FY2018**).

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 FY2018 period:

Non-executive directors	
Linda Bardo Nicholls AO	Chairman
David Blight	Chairman of the Remuneration and Nomination Committee
JoAnne Stephenson	Chairman of the Zero Harm Committee
Richard England	Chairman of the Audit, Risk and Compliance Committee

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

16.2 Remuneration framework and governance

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.

Remuneration arrangements

(i) Executives

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 200 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.

Executive remuneration comprises:

- 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 (**EIP**) to reward executives for exceeding targets set by the Board.

Executives are required to own equity in the Company equivalent to at least one year's base salary. This can be acquired over a 5 year period and it is intended that the EIP provides 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.

(ii) Non-executive directors

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. The Board annually determines the fees each non-executive director is entitled to receive from the pool having regard to remuneration benchmarking. The same comparator group used for executive remuneration benchmarking purposes is used for this purpose.

The Board Chairman and the Chair 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 5 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.

Board and 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.

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 FY2018.

16.3 FY2018 remuneration outcomes

Below is a summary of KMP remuneration outcomes for FY2018 and comparison with FY2017:

Executives	Total fixed remuneration paid $'000	Total performance based remuneration awarded[1] $'000	Total fixed and performance based remuneration received $'000	Percentage of maximum potential performance based remuneration awarded %	Value of long term incentive granted[2] $'000	Value of long term incentive forfeited[3] $'000
Andrew Sudholz (CEO)						
FY2018	**1,005**	**-**	**1,005**	**-**	**n/a**	**n/a**
FY2017	1,005	100	1,105	-	990	990
Chris Price (CFO)						
FY2018	**540**	**-**	**540**	**-**	**n/a**	**n/a**
FY2017	540	50	590	-	525	525

1. FY2017 amounts were once only ex-gratia payments awarded in recognition of excellent individual performance.
2. Reflects the dollar value of performance rights granted under former LTI arrangements in place during FY2017. The dollar value was determined using the grant price being the 10 day volume weighted average price of the Company's shares up to 30 June 2016.
3. LTI granted in FY2017 was forfeited in the same year as the EBITDA performance gateway was not met.

Non-Executive Directors	Board fees earned $'000	Committee Chairman fees earned $'000	Total fees earned $'000
Linda Bardo Nicholls AO			
FY2018	**250**	**-**	**250**
FY2017	225	-	225
David Blight			
FY2018	**105**	**20**	**125**
FY2017	105	20	125
JoAnne Stephenson			
FY2018	**105**	**20**	**125**
FY2017	105	20	125
Richard England			
FY2018	**105**	**20**	**125**
FY2017	105	20	125

16.4 Executive remuneration

16.4.1 Principles of executive remuneration

Executive remuneration comprises fixed remuneration and performance based 'at risk' remuneration. The Group's remuneration policy was modified in FY2018 to provide an improved performance based incentive framework which folded existing short term incentive (**STI**) and long term incentive (**LTI**) arrangements into a single incentive plan.

Why did the Board make this change and why is it appropriate for the Group?

In FY2018, the Board redesigned the performance based 'at risk' remuneration framework to more appropriately reflect the environment of constantly changing regulations and uncertainty of funding to the residential aged care sector. This backdrop of constant change undermined the impact and effectiveness of the LTI component of the previous incentive plan, which was measured over a 3 year term.

The 'New' incentive plan, described in the following table, folds the STI and LTI components into one incentive plan, 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 in a particular year, the greater the incentive pool opportunity will become, subject to various checks. 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. Each year, the Board will set the required level of EBITDA performance in order for the incentive pool to form.

The existing gateway measures relating to accreditation, compliance and budget have been retained, together with the balanced score card approach to determining individual performance. Finally, the Board has applied a cap to the incentive pool so as not to exceed 30% of the incremental net profit in any given year, together with forfeiture and clawback rights, as well as its final discretion to avoid any anomalies.

The Board is confident this incentive structure, with its potential to reward superior outcomes, and its various safeguards, is appropriate for the Group at this point in its evolution. It aligns senior executives more closely to shareholder value through its focus on EBITDA delivery, with individual balanced scorecards ensuring KPI's are in place for both financial and non-financial performance hurdles.

Principles of executive remuneration

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 –200% at exceptional level • Annual pool from which incentives can be awarded is capped at 30% of incremental net profit after tax (**NPAT**)
Delivery	**Delivery**
• 100% cash payment comprising base salary and statutory superannuation contributions • Parking and IT/communication related employee benefits are also provided (calculated on a total cost basis including FBT)	• Mix of cash and equity in the Company via the EIP • Mix is subject to performance level achieved: –50% cash/50% equity at target level –40% cash/60% equity at stretch level –35% cash/65% equity at exceptional level • Performance level determined with reference to level of annual growth in the Group's EBITDA for FY2018: –5% growth to achieve target level –10% growth to achieve stretch level –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 • 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. • Forfeiture provisions and Board discretion applies to equity component • 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 5% EBITDA growth for FY2018 for award and capped at a maximum of 30% of incremental NPAT • Subject to forfeiture and clawback under certain circumstances

Remuneration Report – Audited continued

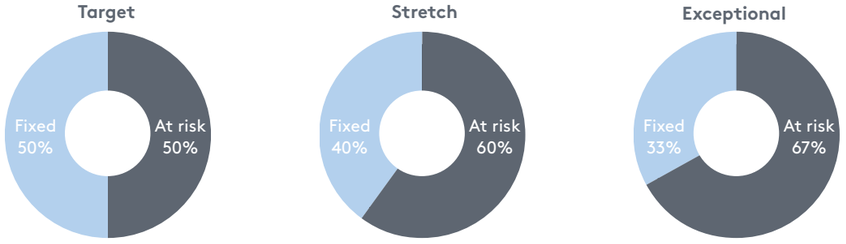
16.4 Executive remuneration continued

16.4.1 Principles of executive remuneration continued

Principles of executive remuneration continued

Fixed remuneration principles	Performance based remuneration principles
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

Below is the maximum potential remuneration mix for executive KMP in FY2018 showing the fixed and performance based 'at risk' components at the various potential incentive levels.



16.4.2 FY2018 fixed remuneration

The fixed remuneration paid to each executive during the period in which they were KMP is set out below:

	Cash salary[1] $'000	Superannuation $'000	Other[2] $'000	Total fixed remuneration paid $'000
Andrew Sudholz (CEO)				
FY2018	**965**	**25**	**15**	**1,005**
FY2017	955	36	14	1,005
Chris Price (CFO)				
FY2018	**480**	**45**	**15**	**540**
FY2017	480	46	14	540

1. Cash salary includes salary and leave entitlements paid during the year.
2. Other includes parking and IT/communication related employee benefits.

Following its review, the Board determined not to increase executives' fixed remuneration for FY2018.

16.4.3 FY2018 performance based remuneration outcomes

The performance based 'incentive' remuneration arrangements for executives for FY2018 are set out below.

Remuneration amounts

	Maximum incentive remuneration achievable at target level $'000	Incentive remuneration awarded $'000
Andrew Sudholz (CEO)	990	-
Chris Price (CFO)	525	-

Performance criteria

The award of performance based remuneration is subject to the achievement of set performance criteria comprising 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 and 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 FY2018:

Gateways

- The Group maintaining ongoing accreditation at all operating homes;
- No material breach of regulatory or compliance guidelines across the Group's business; 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).

Hurdles

Andrew Sudholz (CEO)

Target area	Performance requirement	Weighting
Finance	• Deliver a return on invested capital exceeding targeted rate *Rationale: Stretch incentive to increase shareholder returns*	30%
	• Deliver initiatives resulting in operating cost savings at an agreed target *Rationale: Incentive to identify and responsibly deliver cost improvements to increase shareholder returns*	30%
Growth	• Increase available places from completed developments by an agreed target *Rationale: Incentive to responsibly grow the business through well occupied and profitable developments to increase shareholder returns*	30%
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 its workforce and increase shareholder returns over the longer term*	10%
		100%

Chris Price (CFO)

Target area	Performance requirement	Weighting
Finance	• Deliver a return on invested capital exceeding targeted rate *Rationale: Stretch incentive to increase shareholder returns*	30%
	• Manage Group costs to deliver improvements *Rationale: Incentive to identify and responsibly deliver cost improvements to increase shareholder returns*	30%
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%
Safety	• Achieve an annual average lost time injury frequency rate at an agreed target *Rationale: Incentive to deliver improvement in lost time injuries for betterment of its workforce and increase shareholder returns over the longer term*	10%
		100%

Remuneration Report – Audited continued

16.4 Executive remuneration continued

16.4.3 FY2018 performance based remuneration outcomes continued

Performance assessment

The Board determined that while the gateways relating to accreditation, regulatory and compliance guidelines were met, and many 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 was awarded for FY2018.

16.4.4 Prior period LTI performance outcomes

LTI in the form of performance rights were granted to executives in FY2016 under the previous incentive arrangement framework. This LTI was tested in FY2018 at the end of its three year performance period. The Board determined that this incentive was forfeited as the vesting conditions were not met.

LTI granted to executives in FY2017 and other years have previously been forfeited. Accordingly, there is no prior LTI on-foot.

16.5 Non-executive director remuneration

16.5.1 Principles of non-executive director remuneration

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.

16.5.2 FY2018 remuneration

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

- $250,000 to the non-executive chairman (FY2017 $225,000);
- $105,000 to each other non-executive director (FY2017 $105,000); and
- an additional $20,000 to the chair of each standing committee of the Board (FY2017 $20,000).

The increase in the non-executive chairman's fees in FY2018 reflected an adjustment toward market levels.

A breakdown of non-executive director remuneration for FY2018 follows:

	Cash fees $'000	Superannuation $'000	Total fees $'000
Linda Bardo Nicholls AO (Chairman)	228	22	**250**
David Blight	114	11	**125**
JoAnne Stephenson	114	11	**125**
Richard England	114	11	**125**
	570	**55**	**625**

16.6 Linking remuneration and performance

16.6.1 Executives

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 since its listing on the Australian Securities Exchange in April 2014:

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

The Group's financial performance since 2014, measured in terms of earnings and shareholder returns, has been relatively flat or declining. This performance has been significantly impacted by external factors affecting the residential aged care sector including changing regulations and uncertainty of funding. As a result, despite the best efforts of the Executives, it has proved difficult to improve financial performance over recent years.

Following is a table of historical incentive outcomes for executives since FY2015:

	FY2018	FY2017		FY2016		FY2015	
	Incentive[1] forfeited/ awarded %	STI forfeited[2]/ awarded %	LTI forfeited/ awarded %	STI forfeited/ awarded %	LTI forfeited/ awarded %	STI forfeited[2]/ awarded %	LTI forfeited/ awarded %
CEO	**100/0**	100/0	100/0	5/95 $457,000[3]	100/0	100/0	100/0
CFO[4]	**100/0**	100/0	100/0	10/90 $225,000[3]	100/0	n/a	n/a

1. New single incentive arrangement in place. Separate STI and LTI arrangements existed pre FY2018.
2. Incentive fully forfeited due to insufficient excess earnings to fund STI payments.
3. Amount of STI received.
4. CFO was appointed on 22 June 2015.

The Board believes that the Group's remuneration policy, as modified in FY2018, continues to be appropriate having regard to the Group's strategy and operating environment and is based on a balanced approach, avoiding under and over rewarding executives for their contributions on an individual and collective basis.

16.6.2 Non-executive directors

The Board considers comparator group 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.

Remuneration Report – Audited continued

16.7 Other statutory disclosures

16.7.1 Total executive remuneration

The remuneration of executives calculated in accordance with applicable accounting standards for FY2018 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[1] $'000	Payable in cash deferred for 12 months $'000	Share-based payments accrued[2] $'000	Total fixed and performance based remuneration $'000
Andrew Sudholz (CEO)										
FY2018	**890**	**15**	**25**	**68**	**14**	**1,012**	**-**	**-**	**-**	**1,012**
FY2017	777	14	36	68	20	915	100	-	(83)	932
Chris Price (CFO)										
FY2018	**443**	**15**	**46**	**36**	**6**	**546**	**-**	**-**	**-**	**546**
FY2017	470	14	46	36	-	566	50	-	(43)	573
Total										
FY2018	**1,333**	**30**	**71**	**104**	**20**	**1,558**	**-**	**-**	**-**	**1,558**
FY2017	1,247	28	82	104	20	1,481	150	-	(126)	1,505

1. Includes once only ex-gratia payments for FY2017.
2. Calculated using the Black-Scholes valuation methodology in accordance with AASB 2 Share-based payments (see Note C3 to the Company's 2018 Financial Statements).

Remuneration Report – Audited continued

16.7 Other statutory disclosures continued

16.7.1 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 16.3 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 and forfeited LTI 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	Forfeited LTI[2] $'000	Total fixed and performance based remuneration statutory $'000
Andrew Sudholz (CEO)				
FY2018	**1,005**	**7**	**-**	**1,012**
FY2017	1,105	(90)	(83)	932
Chris Price (CFO)				
FY2018	**540**	**6**	**-**	**546**
FY2017	590	26	(43)	573

1. Reflects fixed remuneration paid, performance based incentive awarded and LTI granted (pre FY2018).
2. LTI granted pre FY2018 which did not vest.

16.7.2 Total non-executive director remuneration

Non-executive director remuneration included within employee benefits expense in the Statement of Profit or Loss and Other Comprehensive Income for FY2018 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)				
FY2018	**228**	**-**	**22**	**250**
FY2017	206	-	19	225
David Blight				
FY2018	**114**	**-**	**11**	**125**
FY2017	114	-	11	125
JoAnne Stephenson (appointed 1 September 2015)				
FY2018	**114**	**-**	**11**	**125**
FY2017	114	-	11	125
Richard England				
FY2018	**114**	**-**	**11**	**125**
FY2017	114	-	11	125
Total				
FY2018	**570**	**-**	**55**	**625**
FY2017	548	-	52	600

16.7.3 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 2017 Number of shares	Acquired during FY2018 Number of shares[1]	Sold during FY2018 Number of shares	Held at 30 June 2018 Number of shares	Nominally held at 30 June 2018 Number of shares
Executives					
Andrew Sudholz (CEO)	15,757,009	**2,997**	**-**	**15,760,006**	**15,760,006**
Chris Price (CFO)	-	**-**	**-**	**-**	**-**
Non-Executive Directors			**-**		
Linda Bardo Nicholls AO	122,787	**6,327**	**-**	**129,114**	**112,397**
David Blight	90,000	**-**	**-**	**90,000**	**90,000**
JoAnne Stephenson	11,928	**-**	**-**	**11,928**	**-**
Richard England	54,009	**-**	**-**	**54,009**	**25,000**

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

16.7.4 Analysis of movements in equity instruments held by KMP

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

	Grant date	Vesting date	Held at 1 July 2017 Number of rights[1]	Granted Number of rights	Exercised Number of rights	Forfeited Number of rights[2]	Held at 30 June 2018 Number of rights	Vested during FY2018 Number of rights	Vested and exercisable at 30 June 2018 Number of rights
Andrew Sudholz (CEO)	29/02/16	30/06/18	365,779	-	-	(365,779)	**-**	**-**	**-**
Chris Price (CFO)	29/02/16	30/06/18	190,114	-	-	(190,114)	**-**	**-**	**-**

1. All rights are for ordinary shares of the Company, which are exercisable on a one-for-one basis. They are performance rights granted under the Company's EIP.
2. Rights were forfeited due to the vesting conditions not being met.

Non-executive directors are not entitled to rights over ordinary shares in the Company and therefore have not been included in the above table.