
REMUNERATION REPORT

Bundaberg Friendly Society Medical Institute Limited (Company)

NON-EXECUTIVE DIRECTORS' REMUNERATION

1. NON EXECUTIVE DIRECTORS' REMUNERATION

It is noted that for the financial year ended 30 June 2018, Director's remuneration was set at \$244,560 per annum to be divided amongst Directors as they agree.

The Board considers it is appropriate that there be an increase to \$264,000 per annum to be divided amongst Directors as they agree for the financial year beginning 1 July 2018.

The amount is to be divided between four directors (equating to an allowance of \$66,000 per director). Whilst the Company does not currently have a remuneration Committee, it is noted by way of benchmark, that Board Direction, which identifies itself as Australia's leading Non Executive Director and board career support firm, (<https://boarddirection.com.au/paid-board-member/>) advises that recent studies have identified the following ranges:

- for a Chair – a range of \$48,000 pa (medium unlisted) and \$315,000 pa (ASX 200) with an average remuneration of \$139,000 per annum.
- for a non-executive director, a range of \$23,000 (small unlisted) and \$137,000 (ASX 200) with an average remuneration of \$61,000 per annum.

Based on the above analysis, an average remuneration for the Board of the Company would be \$322,000 per annum in aggregate. The Company operates a world-class, 146 bed surgical and medical facility with 400 plus medical, nursing, support and allied health professionals and has expanded its operations over the last financial year. Accordingly, it is considered that striking a total aggregate remuneration substantially below the above average ranges is well within and below market rates.

2. RECOMMENDATION BY BOARD

That pursuant to rule 22.3 of the Company's Constitution, remuneration of the Directors for their services as directors be increased from \$244,560 per annum to a maximum aggregate of \$264,000 per annum, to be divided amongst the Directors as they agree, effective 1 July 2018.