

4. Non-Executive Directors' Remuneration

4.1 Components of Non-Executive Director remuneration

Non-Executive Directors receive a fee for being a Director of the Board. An additional fee is paid to the Chairman of the Board. Non-Executive Directors do not receive additional fees for service on Board Committees.

The Company's Constitution requires that the aggregate remuneration paid or provided to all Non-Executive Directors in any financial year by the Company, its subsidiaries and associated entities may not exceed an amount approved by shareholders. This ceiling amount includes all remuneration provided to Non-Executive Directors, including superannuation but not including retirement benefits. The current limit of \$980,000 per annum was approved by shareholders at the 2010 Annual General Meeting. There has been no increase to the Non-Executive Director fee pool since this time.

Elements	Details			
Current Board fees	2012 Fees per annum are:			
	Board Chairman fee	\$213,200		
	Board Non-Executive Director fee	\$140,400		
	Each of the Non-Executive Directors also hold Board positions on each of the following Australian Financial Services Licensed companies within the Group, IOOF Investment Management Limited; Australian Executor Trustees Limited; Questor Financial Services Limited and IOOF Limited. Each of these Boards meets at least four times per annum.			
Post-employment benefits	Superannuation contributions are made at a rate of 9% (up to the Government’s prescribed maximum contributions limit) which satisfies the Company’s statutory superannuation contributions and are included in the base fee.			
	The Board has withdrawn the retirement benefit from the potential remuneration for new Non-Executive Directors. However, the program continued for Directors appointed prior to 13 April 2003 to fulfil the terms of historical agreements. This benefit provides for a cash based payment to Non-Executive Directors at the time of their retirement and is calculated as follows:			
	Period of service as a Non-Executive Director	Benefit Value ⁽¹⁾		
	0 to < 3 years	Nil		
	3 to 5 years	AAE times 1.0		
	> 5 years to 10 years	AAE times 1.5		
	> 10 years	AAE times 2.0		
	The retirement benefits plan will remain in operation for Dr Sexton (being the only remaining participant) for the year ending 30 June 2013.			
	⁽¹⁾ “AAE” = Annual Average Emoluments over the last 3 years of service to date of retirement.			
	The accrued entitlement for current Non-Executive Directors under the retirement benefits plan as at 30 June 2012 was \$282,258 attributable to Dr Sexton.			
On retirement at 31 March 2012 Mr Blair received \$406,224 of his retirement benefit.				
Deferred share purchase plan	IOOF established a Deferred Share Purchase Plan for Non-Executive Directors to enable them, on a voluntary basis, to salary sacrifice a portion of annual fees in order to acquire shares in the Company at market value on a tax deferred basis. As shares were purchased from remuneration foregone, they were not subject to performance conditions.			
	Shares acquired under the Plan were purchased on market. All costs associated with the Plan are met by the Company. The following table sets out the number of shares acquired by the participating Directors as at 30 June 2012 and the range of prices at which shares were acquired during the financial year ended 30 June 2012.			
	Name	Shares Acquired No.	Share price range at acquisition dates \$	Total \$
	I Blair	4,025	\$5.20 - \$6.54	23,079
	J Harvey	2,081	\$5.20 - \$6.54	12,015
	R Sexton	4,223	\$5.20 - \$6.54	24,353