



Name:	<b>Directors Remuneration Policy</b>
Policy Number:	GOP018
Approved by:	Board
Last reviewed:	April 2019

## 1. INTRODUCTION

### 1.1 Objectives

This policy seeks to ensure that there is a transparent and reasonable process in place for determining appropriate remuneration levels for YHA Ltd Directors, having regard to their responsibilities, workload and the objects of the company.

YHA also recognises the role of remuneration in attracting and retaining high quality and experienced Directors, along with the need to ensure that members remain informed and confident in the governance of the organisation.

### 1.2 Remit

This policy sets out the broad principles and processes to be followed by:

- a) the Nominations & Remuneration Committee in making recommendations to the Board on appropriate remuneration levels for Directors; and
- b) the Board in determining the appropriate remuneration level for Directors in accordance with the Constitution.

Director remuneration levels must be determined in accordance with the company's Constitution and this policy, provided that any potential conflict between these two documents shall be resolved in favour of the Constitution.

## 2. POLICY

### 2.1 Principles

In making its recommendations, the Nominations & Remuneration Committee shall consider:

- i) the appropriate aggregate level of Board remuneration, inclusive of superannuation (the Remuneration Pool); and
- ii) division of the Remuneration Pool between directors (the Base Fee); and
- iii) any additional fees that may be paid to a Director pursuant to clause 2.2 of this policy.

The 'objects' of YHA, as set out in its Constitution, must be at the forefront of any recommendation to the Board, and the proposed remuneration levels should:

- a) be set in the best interests of company's successful development on behalf of its members;

- b) be fair and reasonable and take into account comparative remuneration levels in the not for profit sector, where feasible;
- c) take into account the actual and forecast financial performance of the organisation;
- d) be consistent with and supportive of maintaining directors' independence; and
- e) take into account any recommendations set out in any independent, external report on remuneration that may be commissioned by YHA from time to time.

## 2.2 Office bearing roles

The Chair of the Board, the Vice Chair of the Board, and the Chair of the two standing Board Committees which meet through the year, may receive an additional fee as recommended by the Nominations & Remuneration Committee, in recognition of the additional responsibilities and time commitment required in carrying out their role.

## 2.3 Additional fees

Directors shall not be entitled to any performance based remuneration, nor receive any additional fees for their Committee memberships, or any other commitment related to their role as a Director of YHA, which is over and above their Base Fee (subject to clause 2.2 of this policy).

## 2.4 Reimbursement of expenses

Directors shall be entitled to be paid all travelling, accommodation and other out of pocket expenses properly incurred by them in attending and returning from meetings of the YHA Board, its Committees or general meetings provided that such expenses have been incurred in accordance with the Directors' Reimbursement of Expenses Policy, and duly authorised.

## 2.5 Professional development

In addition to the Base Fee, Directors may be entitled to undertake professional development courses, with the cost of such courses paid for by YHA, provided that the course has been approved in accordance with the requirements set out in the Directors' Training Policy.

## 2.6 Period of remuneration

Annual remuneration shall be payable to each Director on a monthly basis, from their date of appointment (usually at an Annual General Meeting - AGM) until the following AGM. Payment will be calculated pro-rata for Directors appointed outside of an AGM, or who vacate office during their term.

## 2.7 'Opt out' option

Remuneration of YHA's Directors can be upon an 'opt-out' basis. If any Director(s) decide/s of their own volition to opt-out of being remunerated (for all, or a portion, of their remuneration), upon notifying YHA in writing of this, they would not be remunerated, and they would have the option to re-direct their remuneration towards YHA's Sustainable Hostels Fund, Small Hostels Development Fund, Youth Appeal or other YHA purposes.

## 2.8 Review of remuneration

The Remuneration Pool and its division shall be reviewed by the Nominations and Remuneration Committee every three years, unless otherwise requested by the Board.

# **3. RESPONSIBILITIES**

## 3.1 Nominations & Remuneration Committee

The Nominations & Remuneration Committee will be responsible for providing recommendations to the Board on remuneration in line with the Constitution, Board Charter and this policy; and for monitoring, implementing and reviewing this policy.

### 3.2 Board

The Board will be responsible for proposing to members at an Annual General Meeting the Remuneration Pool, being the aggregate level of remuneration and subject to the approval of at least 75% majority of those members voting, in line with the YHA Ltd Constitution.

The Board will be responsible for the division of the Remuneration Pool amongst Directors.

The current Remuneration Pool, division of the Remuneration Pool between Directors (the Base Fee), and any additional fees that may be paid to a Director are set out in Appendix A.

Directors' Service Conditions are outlined in Appendix B.

The Board will disclose the total Remuneration Pool paid to Directors in the financial year in its Annual Report.

## **4. ADMINISTRATION**

### 4.1 Supporting Documentation

<b>Name</b>	<b>Location</b>	<b>Document Type</b>
YHA Ltd Constitution	Intranet (Egor) and yha.com.au	PDF
Board Charter	Egor	PDF
YHA Director's Reimbursement of Expenses Policy	Egor	PDF
Directors' Training Policy	Egor	PDF

### 4.2 Policy ownership and version control

<b>Policy Owner</b>	Nominations & Remuneration Committee
<b>Policy Approver</b>	Board
<b>Review Frequency</b>	Every three years

<b>Version Number</b>	<b>Approval Date</b>	<b>Approved by</b>	<b>Notes</b>
1	May 2018	Board	Effective from the date of members' vote in favour of introducing remuneration for Directors (in accordance with the Constitution) on 14 April 2018.
2	April 2019	Board	Allocation from the remuneration pool fixed 'for the time being'.

## **Appendix A**

### **Remuneration Pool, division of the Remuneration Pool between Directors (the Base Fee), and any additional fees that may be paid to a Director:**

That as per rule 7.7(a) of the Constitution, the aggregate limit on remuneration for Directors in respect of a Financial Year be hereby fixed for the time being at \$150,000.

That the allocation from the remuneration pool be as follows (pro rata) for the time being:

-Base fee of \$10,000 per Director;

- An additional \$2,500 each for the Vice Chair; Audit & Risk Committee Chair, and Nominations & Remuneration Committee Chair;

- An additional \$5,000 for the Chair;

Plus any applicable superannuation entitlements.



## 1. Directors Fees

By resolution of the Members of YHA Ltd at its 2018 Annual General Meeting, YHA shall pay annual remuneration to Directors under clause 7.7(a) of the Constitution with an aggregate limit of \$150,000.

By resolution of the Board the remuneration payable to Directors shall be as set out in the table below and shall be governed by the Directors' Remuneration Policy:

<i>Position</i>	<i>Directors Fee per annum</i>
Director	Base fee of \$10,000
Vice Chair Chair Audit & Risk Committee Chair Nominations & Remuneration Committee	Additional fee of \$2,500
Chair	Additional fee of \$5,000

## 2. Superannuation

YHA Ltd will make contributions to the nominated superannuation fund of each Director in accordance with the requirements of the Superannuation Guarantee (Administration) Act 1992 (Cth) and any amending legislation.

YHA has nominated AustralianSuper Pty Ltd as its superannuation fund provider and has nominated the Balanced Investment option as the default investment option. An AustralianSuper member information guide and 'A Super Choice' information leaflet are attached for reference.

A Choice of Superannuation fund - Standard Choice form or an AustralianSuper membership application form or should be completed and returned to the Payroll Manager.

## 3. Payment

Payments shall be made in equal monthly instalments into your nominated bank account on the 15th day of each month, or if the 15th is not a business day, the next business day, as long as you remain a Director of YHA Ltd.

## 4. Duties

The duties of Directors being as set out in the Constitution of YHA Ltd, in the Board Charter – GOV 002 and the Corporations Act 2001.

## 5. Term of Agreement

This agreement shall be in effect from 14 April 2018 through the last month of the Director's current term.

This agreement shall automatically terminate upon the resignation of the Director or removal from, or failure to win re-election to YHA's Board of Directors.

This agreement shall be automatically renewed on the date of the Director's re-election as a Director for the period of such new term unless the Election Committee determines not to renew this agreement.

## **6. Expenses**

YHA Ltd will reimburse reasonable business expenses and out-of-pocket expenses incurred in connection with discharging your duties as a Director subject to the 'Directors Reimbursement of Expenses Policy – GOP003'.

## **7. Training**

Training courses for Directors may be paid for by YHA to supplement qualifications, skills and experience in order to meet both Directors and YHA's needs. Directors wishing to undertake a particular course should submit a request in writing to the CEO as per 'Directors Training Policy – GOP-015'.