



2019

Remuneration report



Remuneration report

Role of the Remuneration and Nomination committee

The Remuneration and Nomination committee (“R&N committee”) is a subcommittee of the Bathurst Board of Directors (“Board”). The R&N committee is responsible for making recommendations to the Board on remuneration matters such as non-executive director fees, remuneration for directors and other senior executives, and the over-arching executive remuneration policy and incentive schemes. All its members are non-executive directors.

The objective of the R&N committee is to ensure that the Company’s remuneration policies are fair and competitive, and aligned with the long-term interests of the Company and its shareholders. The R&N committee draws on its own experience in remuneration matters and seeks advice from independent remuneration consultants where appropriate.

In FY19, the Company adopted a new Long-Term Incentive Plan (“LTIP”) (refer to the long-term incentives section for further information). This was adopted as part of a wider remuneration review which was undertaken by an external consultant, to ensure that the fixed, short-term, and long-term remuneration incentives offered to directors and senior executives were appropriate and within market expectations. There were no other material changes to the remuneration framework during the year.

The corporate governance section of our website provides further information on the role of the R&N committee.

Remuneration framework

Non-executive directors’ fees

Non-executive directors’ fees reflect the role’s level of responsibility and the demands which are made on the directors’ time and are reviewed annually by the R&N committee. Fees paid to the chairman are determined independently to the fees of other non-executive directors.

Executive remuneration

The objective of the Group’s executive reward framework is to ensure reward for performance is competitive, appropriate, promotes retention of employees, and aligns with the Company’s strategic objectives and shareholder interests.

The framework provides a mix of fixed and variable short- and long-term incentives, that are measured against internal and external financial and operational metrics. This enables the ability to recognise individual achievements and results, attract and retain high calibre people, and with the focus on the long-term, align with shareholder’s interest of sustainable growth.

As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of ‘at risk’ rewards.

The framework has three components:

- Fixed remuneration, including superannuation.
- Short-term incentives.
- Long-term incentives.



Fixed remuneration

The Company offers a competitive fixed remuneration that is based on the responsibilities of the role, individual performance and experience, and current market data. External consultants provide advice to ensure the fixed remuneration component is set within market benchmarks for a comparable role. Fixed remuneration is reviewed annually, and on promotion.

There are no guaranteed increases to fixed remuneration.

Short-term incentives

Short-term incentives (“STI”) are an at-risk component of senior executive and executive director remuneration, payable in cash on achievement of performance targets that align with the strategic pillars of the Company’s strategy. Key performance indicators are a mix of financial and operational measures. These are reviewed, and if approved, paid annually as recommended to the Board by the R&N committee.

Long-term incentives (“LTI”)

Bathurst’s updated LTIP was approved by shareholders at the 2018 AGM, the details of which can be found on the Company’s website. The purpose of the plan is to encourage senior executives and executive directors to share in the ownership of the Company, promoting the long-term success of the Company and alignment with shareholder interests.

A number of awards may be made under the plan, consisting of:

- Performance rights: these are rights to acquire shares in the Company subject to satisfying performance and service conditions. The rights are issued for a nil exercise price.
- Options: options are a right to acquire shares in the Company for the payment of an exercise price determined at the grant date and subject to performance and service conditions.
- Service rights: these rights to acquire shares in the company are subject to satisfying service conditions only. The rights are issued for a nil exercise price.
- Deferred share awards: these are shares in the company granted in lieu of remuneration or incentives and may be subject to performance and/or service conditions.
- Cash rights: these are rights to receive a cash payment on achievement of performance and/or service conditions.
- Stock appreciation rights: these are rights to receive shares in the Company to the value of any share price appreciation from the grant date to the vesting date, subject to satisfying performance and/or service conditions.

In FY19, the only awards given under the LTIP were performance rights to executive directors; refer to note 18 in the financial statements for further information.

Directors' remuneration

The total remuneration and other benefits to directors for services in all capacities during the year ended 30 June 2019 was:

Director	Directors' fees	Fixed remuneration and STI	LTI - performance rights	Total
Mr T Kapea	\$120,000	-	\$48,161	\$168,161
Mr R Middleton	-	\$536,115	\$228,406	\$764,521
Mr P Westerhuis	\$63,964	-	\$40,320	\$104,284
Mr R Tacon	-	\$694,935	\$299,372	\$994,306

Fixed remuneration and STI for both Mr Tacon and Mr Middleton are in their capacity as Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") respectively. Increases in the fixed remuneration and STI relate to the STI component, based on the performance of the Company.

Employee remuneration

During the year ended 30 June 2019, 29 employees (excluding the CEO and CFO) received individual remuneration over \$100,000.

Range	# of employees
100,001 - 110,000	7
110,001 - 120,000	3
120,001 - 130,000	2
130,001 - 140,000	4
150,001 - 160,000	1
160,001 - 170,000	2
170,001 - 180,000	2
180,001 - 190,000	1
220,001 - 230,000	1
230,001 - 240,000	2
260,001 - 270,000	1
320,001 - 330,000	1
330,001 - 340,000	1
340,001 - 350,000	1



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