

## Executive Officer Remuneration

The remuneration of our executive officers is determined to ensure that we can recruit and retain staff with the right skills and knowledge to lead our fund. We need the appropriate level of expertise and experience in our executive officers to protect members' interests.

We set our remuneration levels based on appropriate benchmarks and we engage with external remuneration consultants to ensure that our remuneration levels reflect our Remuneration Policy. Our Remuneration and Human Resources Committee provides oversight over the remuneration of our Executive Officers.

These consultants do this by job-sizing and market matching each of our senior roles and by recommending the appropriate benchmarks for our fund.

Executive	Date commenced	Financial year ended 30 June	Salary	Termination Pay	Performance Award	Non-monetary benefits <sup>1</sup>	Super	Short-term Incentive <sup>2</sup>	Deferred incentive <sup>2</sup>	Incentive achieved	Total Remuneration
			\$	\$	\$	\$	\$	\$	\$	%	\$
Mr M Dwyer AM <sup>3</sup> Chief Executive Officer	1-Dec-04	2019	334,354	408,478	205,289	3,077	11,010	-	-	-	962,208
		2018	779,751	-	110,000	18,866	20,049	-	-	-	928,666
Ms Deanne Stewart Chief Executive Officer	22-Oct-18	2019	513,023	-	125,000 <sup>4</sup>	2,262	11,977	259,091	-	86%	911,353
		2018	-	-	-	-	-	-	-	-	-
Mr T Elliott Group Executive, Finance, Strategy & Transformation	1-Apr-17	2019	454,469	-	-	-	20,531	92,127	72,127	86%	639,254
		2018	439,401	-	-	-	20,049	91,895	71,895	89%	623,240
Mr D Graham Chief Investment Officer	5-Dec-16	2019	804,469	-	-	-	20,531	262,021 <sup>5</sup>	242,021 <sup>5</sup>	87%	1,329,042
		2018	700,951	-	-	-	20,049	232,525	212,525	88%	1,166,050
Mr G McAliece <sup>6</sup> Chief Operating Officer	11-May-15	2019	396,181	61,962	-	-	15,399	167,211	-	74%	640,753
		2018	511,401	-	-	-	20,049	97,919	77,919	83%	707,288
Ms J Brennan Chief Operating Officer	8-Apr-19	2019	101,544	-	-	-	4,474	-	-	-	106,018
		2018	-	-	-	-	-	-	-	-	-
Ms Suzanne Holden <sup>7</sup> Group Executive, Member Growth (Acting)	4-Apr-19	2019	102,486	-	-	-	4,900	-	-	-	107,386
		2018	-	-	-	-	-	-	-	-	-
Ms S Thurman Group Executive, Risk & Compliance	3-Jul-06	2019	345,996	-	-	-	20,531	66,202	46,202	74%	478,931
		2018	326,907	-	-	-	20,049	71,843	51,843	89%	470,642

- 1 Car parking and associated fringe benefits tax
- 2 Ms Stewart, Mr Elliott, Mr McAliece and Ms Thurman participates in a Senior Management Bonus Scheme for the full year. The scheme is designed based on appropriate benchmarks and external remuneration consultants were engaged to ensure that bonus scheme reflects the stated objectives in our Remuneration Policy. The scheme awards incentive payments based on the achievement of Fund performance (investment) goals and for the achievement of individual goals relevant to the executive's role. The maximum amount that an executive can earn cannot exceed a determined percentage of the executive's total employment cost. Fund performance targets are aligned to members' interests and are set based on the required investment performance of the fund and the investment performance of the Growth and Balanced Growth accumulation investment options.

The STI is paid in cash and the Deferred Incentive is payable in cash after two years pursuant to the Senior Management Bonus Scheme Policy. The Deferred Incentive amounts in the table above are the awards made, but not yet vested, to each executive officer during the year

Ms Brennan participates in the Senior Management Bonus Scheme but for the financial year ending 30 June 2019 is not eligible for any payment due to her commencement date.

- 3 Mr Dwyer retired 30 November 2018
- 4 As a component of Ms Stewart's offer of employment, Ms Stewart is eligible for two (2) service and performance related payments of \$ 125,000 each, payable on 1 March 2019 and 1 March 2020. Ms Stewart met all service and performance criteria for the first payment and subsequently payment was made on 15 March 2019.
- 5 Mr Graham participates in the Investment Team Bonus Scheme. The Investment Team Bonus Scheme Policy operates under the same principal conditions as the Senior Management Bonus Scheme with a bonus paid based on the achievement of Fund performance (investment) goals and for the achievement of individual goals relevant to the Chief Investment Officer. The maximum amount that the Chief Investment Officer can earn cannot exceed a determined percentage of their total employment cost.
- 6 Mr McAliece retired 1 July 2019
- 7 Ms Holden was appointed to the newly created role of Group Executive, Member Growth on 4 April 2019 in an acting capacity pending an external search for the role. Her contract is fixed term and Ms Holden does not participate in any form of bonus scheme.

The movement in the long service entitlements accrued but not taken during the year as required to be recognised under legislation were:

	2019 \$	2018 \$
M Dwyer	18,251	27,794
T Elliott	13,393	12,169
D Graham	32,232	19,838
S Thurman	17,210	10,779

## Directors' Remuneration

Our Directors are remunerated with regard to the skills, experience and responsibilities required for our fund. Director remuneration is determined on the basis of an appropriate benchmarking review conducted by an independent remuneration consultant.

Director	Date appointed	Financial year ended 30 June	Committee memberships	Fees	Superannuation	Total	Fees paid to
				\$	\$	\$	
Mr G Bunney	1-Jul-18	2019	2	92,343		92,343	Director
		2018	-	-	-	-	
Mr N Cochrane	1-Mar-14	2019	2	204,065	6,022	210,087	Director
		2018	2	209,306	6,087	215,393	
Mr T Carr*	3-Dec-07	2019	-	-	-	-	Director
		2018	3	132,572	12,594	145,166	
Ms P Carew	1-Jul-18	2019	2	77,490	7,361	84,851	Australian Nursing and Midwifery Federation (VIC branch)
		2018	-	-	-	-	
Ms S Carter	10-Apr-13	2019	2	97,117	9,226	106,343	Director
		2018	2	97,117	9,226	106,343	
Ms L Fitzpatrick*	1-Mar-13	2019	-	-	-	-	Australian Nursing and Midwifery Federation (VIC branch)
		2018	2	78,694	7,476	86,170	
Ms J Furlan	10-Apr-15	2019	4	108,028	10,263	118,291	Director
		2018	3	93,716	8,903	102,619	
Mr R Harty	10-Apr-15	2019	3	99,289	9,432	108,721	Director
		2018	3	103,062	9,791	112,853	
Dr R Kelly	30-Aug-12	2019	5	139,711	13,273	152,984	Medical Scientists Association of Victoria
		2018	4	122,734	11,660	134,394	
Mr R Kelly	1-Mar-11	2019	3	115,724	10,994	126,718	Director
		2018	3	118,822	11,288	130,110	
Mr M Lennon**	16-Feb-10	2019	1	49,620	4,714	54,333	Director
		2018	1	87,254	8,289	95,543	
Mr B Lipscombe	10-Apr-11	2019	4	124,608	11,838	136,446	Director
		2018	4	120,773	11,473	132,246	
Mr M Morey	22-May-19	2019	-	7,215	685	7,900	Unions NSW
		2018	-	-	-	-	
Ms R Ramwell	5-May-19	2019	-	10,008	951	10,959	Director
		2018	-	-	-	-	
Ms P Smith*** AM	1-Oct-07	2019	5	91,350	8,678	100,028	Director
		2018	3	98,671	9,374	108,045	
Ms N Steer	11-Jul-12	2019	3	93,147	8,849	101,996	Director
		2018	3	92,344	8,773	101,117	

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Director	Date appointed	Financial year ended 30 June	Committee memberships	Fees	Superannuation	Total	Fees paid to
				\$	\$	\$	
Mr T Symondson	1-Jul-18	2019	2	81,906	7,781	89,687	Victorian Healthcare Association
		2018	-	-	-	-	
Mr G Thomas*	1-Jul-15	2019	-	-	-	-	Director
		2018	4	104,626	9,939	114,565	
<p>The table shows the total remuneration provided to Directors for acting as a Director and as a member of a committee.</p> <p>*: Resigned 30 June 2018            **: Resigned 31 January 2019            ***: Resigned 9 April 2019</p>							

# Prescribed Remuneration Details Checklist

Section 29QB(1)(a) of the SIS Act, requires FTC to make publicly available and kept up to date on the Fund's website details of the remuneration of:

(a) each executive officer of the RSE licensee of a registrable superannuation entity (a relevant executive officer); or

(b) an individual trustee of a registrable superannuation entity (a relevant individual trustee).

Section 2.37 of the SIS Regulations prescribes the details to be disclosed.

Item	Condition (if any)	Details	
<b>General</b>			
1		The name of each person who is a relevant executive officer or relevant individual trustee	√
2	If a person:  (a) began to hold a position as a relevant executive officer or relevant individual trustee during the current financial year; or  (b) retired from a position as a relevant executive officer or relevant individual trustee during the current financial year	The date on which the person:  (a) began holding the position;  (b) retired from the position	√
3	If the position of a person who is either of the following changes during the current financial year:  (a) a relevant executive officer who is a chief executive officer or director;  (b) a relevant individual trustee	(a) The person's name and position; and  (b) when the change occurred	√
4	If a relevant executive officer who is not mentioned in item 3 has retired during the current financial year	(a) The relevant executive officer's name and position; and  (b) when the retirement took effect	
<b>Payments and benefits</b>			
5		The short-term employee benefits of each relevant executive officer or relevant individual trustee for the 2 most recently completed financial years, divided into at least the following components:  (a) cash salary, fees and short-term compensated absences;	√

		(b) short-term cash profit-sharing and other bonuses;	√
		(c) non-monetary benefits;	√
		(d) other short-term employee benefits	√
6		The post-employment benefits of each relevant executive officer or relevant individual trustee for the 2 most recently completed financial years, divided into at least the following components:  (a) pension and superannuation benefits;  (b) other post-employment benefits	√  √
7		The long-term employee benefits other than benefits mentioned in items 5 and 6 for each relevant executive officer or relevant individual trustee for the 2 most recently completed financial years (any amount attributable to a long-term incentive plan being separately identified)	√ for Deferred Incentives
8	If a person's position as a relevant executive officer or relevant individual trustee was terminated during the current financial year	The person's termination benefits	√
9	If a person:  (a) began to hold a position as relevant executive officer or relevant individual trustee during the most recently completed financial year; and  (b) received a payment as part of the consideration for agreeing to hold the position	Details of the payment, including:  (a) the monetary value of the payment; and  (b) the date of the payment	√  √

10		<p>The share-based payments made to each person who was a relevant executive officer or relevant individual trustee during the 2 most recently completed financial years, divided into at least the following components:</p> <p>(a) equity-settled share-based payment transactions, showing separately:</p> <p>(i) shares and units; and</p> <p>(ii) options and rights;</p> <p>(b) cash-settled share-based payment transactions;</p> <p>(c) all other forms of share-based payment compensation (including hybrids)</p>	
<b>Compensation</b>			
11	<p>If a grant of a cash bonus, performance-related bonus or share-based payment compensation benefit, whether part of a specific contract for services or not, was made to a relevant executive officer or relevant individual trustee during the most recently completed financial year</p>	<p>The terms and conditions of each grant affecting compensation, including the following:</p> <p>(a) the grant date;</p> <p>(b) the nature of the compensation granted;</p> <p>(c) the service and performance criteria used to determine the amount of compensation;</p> <p>(d) if there has been any alteration of the terms or conditions of the grant since the grant date--the date, details and effect of each alteration;</p> <p>(e) the percentage of the bonus or grant for the financial year that was paid to the person, or that vested in the person, in the financial year;</p> <p>(f) the percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year;</p> <p>(g) the financial years, after the most recently completed financial year, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant;</p>	<p>Details of STI, LTI and Service and Performance payments disclosed</p>

		(h) estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the most recently completed financial year	
12	If, during the most recently completed financial year, a contract for services was negotiated between the RSE licensee and a relevant executive officer or relevant individual trustee	An explanation of:  (a) how the amount of compensation was determined; and  (b) how the terms of the contract affect compensation in future periods.	√
13	If the terms of share-based payment transactions (including options or rights) granted as compensation to a relevant executive officer were altered or modified by the RSE licensee during the most recently completed financial year	(a) The date of the alteration or modification; and  (b) the market price of the underlying equity instrument at the date of the alteration or modification; and  (c) the terms of the grant of compensation immediately before the alteration or modification, including:  (i) the number and class of the underlying equity instruments;  (ii) the exercise price for any option or other right affected by the alteration or modification, immediately before and after the alteration or modification; and  (iii) the time remaining until expiry of the underlying equity instruments; and  (iv) each other condition in the terms affecting the vesting or exercise of an option or other right; and  (d) the modified or altered terms; and  (e) the difference between:  (i) the total of the fair value of the options or other rights affected by the alteration or modification immediately before the alteration or modification; and  (ii) the total of the fair value of the options or other rights immediately after the alteration or modification	N/A
14	If, during the most recently completed financial year, options and rights over an equity instrument issued or issuable by the RSE licensee or by a related body corporate were provided as compensation to a person	(a) The number of options and the number of rights that, during the financial year, were:  (i) granted; and	N/A



	who was a relevant executive officer or relevant individual trustee	<p>(ii) vested; and</p> <p>(b) the terms and conditions of each grant made during the financial year, including:</p> <p>(i) the fair value per option or right at grant date; and</p> <p>(ii) the exercise price per share or unit; and</p> <p>(iii) the amount, if any, paid or payable by the person; and</p> <p>(iv) the expiry date of the grant; and</p> <p>(v) when the options or rights may be exercised; and</p> <p>(vi) a summary of the service and performance criteria that must be met before the beneficial interest vests in the person</p>	
15	If an equity instrument that is issuable by the RSE licensee or a related body corporate was issued as a result of the exercise, during the most recently completed financial year, of options and rights that were granted as compensation to a relevant executive officer or relevant individual trustee	<p>(a) How many equity instruments were issued; and</p> <p>(b) if the number of options or rights exercised differs from the number of equity instruments disclosed under <u>paragraph (a)</u>--how many options or rights were exercised; and</p> <p>(c) the amount paid under each instrument; and</p> <p>(d) the amount payable under each instrument that is yet to be paid</p>	N/A
16	If an amount attributable to the service of a relevant executive officer who is a director, or a relevant individual trustee, for the most recently completed financial year is paid to an organisation or entity rather than to the relevant executive officer or relevant individual trustee	<p>(a) The amount; and</p> <p>(b) the name of the organisation or entity</p>	√

	<p>(2) If:</p> <p>(a) a person is:</p> <p>(i) an executive officer of the RSE licensee of a registrable superannuation entity (the <b>reporting entity</b>); or</p> <p>(ii) an individual trustee of a registrable superannuation entity (the <b>reporting entity</b>); and</p>	<p>a) the person receives a payment, benefit or compensation from a related entity of the reporting entity;</p> <p>b) all or part of the payment, benefit or compensation relates to work performed for the reporting entity;</p> <p>then, to the extent that the payment, benefit or compensation relates to that work, the payment, benefit or compensation must be disclosed in the table in the same way as it would be disclosed if it had been paid or given by the reporting entity.</p>	<p>N/A</p>
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- (3) The RSE licensee entity must apply the requirements of relevant accounting standards when disclosing the information mentioned in the table.
- (4) If an expression used in the table is defined in an accounting standard that is applied for the purpose of disclosing information, the expression has the meaning given by the standard.
- (5) A disclosure required by item 14 or 15 of the table must:
  - (a) be separated into each class of equity instrument; and
  - (b) identify each class of equity instrument by:
    - (i) the name of the issuing entity;
    - (ii) the class of equity instrument; and
    - (iii) if the instrument is an option or right--the class and number of equity instruments for which it may be exercised.