

## SMI EXECUTIVE OFFICER REMUNERATION DISCLOSURE UNDER 29QB OF THE SUPERANNUATION INDUSTRY (SUPERVISION) ACT

### Super Members Investments Limited (SMI) Board and Management structure

An Executive Officer is defined as a person who is concerned in the management of the Trustee (whether or not a Director) who may significantly influence the Trustee's financial standing or a substantial part of its business operations. The following is a list of relevant Executive Officers at the end of the financial years ended 30<sup>th</sup> June 2015 and 30<sup>th</sup> June 2016.

Name	Position	Date began holding this position	Date ceased holding the position
Linda Rubinstein	Chair	Director from 29 <sup>th</sup> May 2013 Chair from 1 <sup>st</sup> April 2016	N/A
Robbie Campo	Director	2 <sup>nd</sup> January 2014	N/A
Paul Faure	Director	4 <sup>th</sup> March 2011	N/A
David Issa	Director	1 <sup>st</sup> October 2015	N/A
Michael Migro	Director	3 <sup>rd</sup> January 2012	N/A
Graeme (Sandy) Grant	Director	Chair from 23 <sup>rd</sup> September 2009.	Retired as Chair 23 <sup>rd</sup> September 2014  Retired as Director 27 <sup>th</sup> November 2014
Cath Bowtell	Chief Executive Officer (CEO)	Director from 2 <sup>nd</sup> January 2014 Chair from 26 <sup>th</sup> September 2014 Acting CEO from 7 <sup>th</sup> December 2015 Appointed CEO 1 <sup>st</sup> April 2016	Resigned as Chair & Director 31 <sup>st</sup> March 2016
Bill Danaher	Chief Executive Officer (CEO)	6 <sup>th</sup> August 2012	Resigned 4 <sup>th</sup> December 2015
Lucille Bennetto	Executive Manager, Risk and Compliance	1 <sup>st</sup> April 2013	Resigned 3 <sup>rd</sup> October 2014
Ned Meehan	Chief Financial Officer - IFS	28 <sup>th</sup> December 2009	N/A
Lisa Rayner	Executive Manager, Legal Governance and Insights	8 <sup>th</sup> December 2014	N/A
Andrew Steggall	Company Secretary	28 <sup>th</sup> January 2011 (appointment date to this role)	N/A
David Vernon	Executive General Manager, Products - IFS; General Manager of SMI and IFI	24 <sup>th</sup> July 2006	N/A



## Remuneration of Executive Officers

Executive Managers remuneration comprises salaries, superannuation guarantee contributions and a short-term incentive opportunity. The Chief Executive Officer, in conjunction with the Board Remuneration Committee, is responsible for determining the remuneration of Executive Officers. The Committee makes recommendations to the Board for its approval.

Compensation for an Executive Manager role is determined through external market benchmarking which assists in determining that the remuneration for the role is comparable and competitive with the market.

Executive Officers are paid in accordance with the IFS Remuneration & Incentive Policy which include annual remuneration reviews. Terms of employment and remuneration are reflected in individual contracts with each Executive Officer and are aligned to the terms of the IFS Enterprise Agreement. Contracts are entered into on commencement in the position as an Executive Officer with IFS.

In the financial year ended 30<sup>th</sup> June 2015, Executive Officer Lisa Rayner was employed. Her contract for services was negotiated under the terms of the IFS Enterprise Agreement and the IFS Remuneration & Incentive Policy (as is the case for all Executive Officers employed by IFS). Her compensation was determined in line with the process above.

In the financial year ended 30<sup>th</sup> June 2016, Chief Executive Officer Cath Bowtell was employed. Her contract for services was negotiated under the terms of the IFS Enterprise Agreement and the IFS Remuneration & Incentive Policy (as is the case for all Executive Officers employed by IFS). Her compensation was determined in line with the process above.

## Disclosure of remuneration

The details of remuneration for Directors<sup>1</sup> and Executive Managers<sup>2</sup> for SMI, for the financial year ended 30<sup>th</sup> June 2015 and 30<sup>th</sup> June 2016 are set out in the following tables.

Where SMI is required to disclose the remuneration arrangements set out below, it is required to do so if the payment is made on its behalf by a related entity. Industry Fund Services Ltd (IFS) is the parent company to SMI and has paid the remuneration set out in the tables shown.

The Executive Officers who are senior managers discharging functions for SMI in the operation of IRIS Superannuation Fund are not solely employed for the performance of duties on behalf of SMI. The employment arrangements require that those senior managers are employed for other functions of a separate superannuation fund, in addition to the performance of functions on behalf of IFS. Remuneration disclosed represents the total remuneration paid to each Director and Executive Manager for all roles.

There are no share based payment transactions, nor any options or rights offered (or resulting equity instruments).

**Note:** The SMI Executive Officer Remuneration Disclosure policy previously provided for the disclosure of pro-rata remuneration sums, SMI changed this policy during the financial year ended 30<sup>th</sup> June 2015 and now discloses the full IFS Group remuneration for all Executive Officers. SMI believes this approach improves transparency and gives members a clearer understanding of the context in which Executive Officer remuneration disclosure is provided.

	Short term employee benefits			Post-employment benefits		Other long term benefits	
	Directors fees & salary, including short-term leave	Incentive bonus	Non-monetary bonus – reportable fringe benefits	Superannuation contributions (incl. salary sacrifice superannuation payments)	Directors’ retiring allowance	Long service leave	Benefits paid for commencing or ceasing to hold this position
<b>Year ended 30<sup>th</sup> June 2016</b>							
Robbie Campo <sup>3</sup>	29,730	-	-	-	-	-	-
Paul Faure	31,601	-	-	3,476	-	-	-
David Issa	26,413	-	-	-	-	-	-
Michael Migro	49,436	-	-	5,438	-	-	-
Linda Rubinstein	49,841	-	-	5,488	-	-	-
Cath Bowtell <sup>4</sup>	233,064	-	-	25,159	-	-	-
Bill Danaher	202,256	87,840	-	23,400	N/A	-	-
Ned Meehan	216,339	30,750	-	31,164	N/A	-	-
Lisa Rayner	191,486	11,200	-	21,097	N/A	-	-
Andrew Steggall	175,655	17,440	-	36,356	N/A	-	-
David Vernon	235,691	33,120	-	39,697	N/A	8,270	-

Year ended 30 <sup>th</sup> June 2015							
Graeme (Sandy) Grant	9,895	-	-	1,087	-	-	-
Robbie Campo <sup>3</sup>	26,644	-	-	-	-	-	-
Paul Faure	25,088	-	-	2,758	-	-	-
Michael Migro	38,589	-	-	4,243	-	-	-
Cath Bowtell <sup>5</sup>	41,758	-	-	4,571	-	-	-
Linda Rubinstein	29,339	-	-	3,227	-	-	-
Bill Danaher	382,126	129,595	-	63,714	N/A	-	-
Lucille Bennetto <sup>6</sup>	62,122	-	-	13,080	N/A	-	-
Ned Meehan	205,916	37,400	-	26,558	N/A	-	-
Lisa Rayner	97,142	-	-	10,672	N/A	-	-
Andrew Steggall	172,080	34,739	-	33,757	N/A	-	-
David Vernon	223,179	46,240	-	35,542	N/A	3,586	-

1. Directors' remuneration is paid by IFS for multiple directorships across the IFS Group of companies. Remuneration disclosed represents the total remuneration paid to each Executive Officer for all roles.

2. Executive Managers' remuneration is paid by IFS for activities undertaken across the IFS Group of companies. Remuneration disclosed represents the total remuneration paid to each Executive Officer for all roles.

3. Director fees were paid to the employer of the Director, Industry Super Australia Pty Ltd and not to the Director personally.

4. Appointed Acting CEO from 7<sup>th</sup> December 2015, resigned as Chair and Director 31<sup>st</sup> March 2016, and appointed CEO from 1<sup>st</sup> April 2016.

5. Appointed Director from 2<sup>nd</sup> January 2014 and Chair from 26<sup>th</sup> September 2014.

6. Resigned 3<sup>rd</sup> October 2014.

## Termination or commencement benefits

There have been no disclosable termination benefits paid to Executive Officers for the financial year ended 30<sup>th</sup> June 2015 or 30<sup>th</sup> June 2016.

There have been no payments made to an Executive Officer for the taking up of their position for the financial year ended 30<sup>th</sup> June 2015 or 30<sup>th</sup> June 2016.

## Short term incentive bonuses

The short-term incentive bonuses which were paid to each Executive Officer in the financial years ended 30<sup>th</sup> June 2015 and 30<sup>th</sup> June 2016 are set out below:

	Incentive bonus (inclusive of a superannuation payment)	Financial year paid	Financial year which the payment relates to
<b>Year ended 30<sup>th</sup> June 2016</b>			
Cath Bowtell	-	N/A	N/A
Bill Danaher	87,840	2016	2015
Ned Meehan	30,750	2016	2015
Lisa Rayner	11,200		
Andrew Steggall	17,440	2016	2015
David Vernon	33,120	2016	2015
<b>Year ended 30<sup>th</sup> June 2015</b>			
Bill Danaher	129,595	2015	2014
Ned Meehan	37,400	2015	2014
Lisa Rayner	-	N/A	N/A
Andrew Steggall	34,739	2015	2014
David Vernon	46,240	2015	2014
Lucille Bennetto	-	N/A	N/A

The objectives of the short term incentive bonus scheme are to:

- Reinforce a performance culture in SMI
- Demonstrate a clear relationship between performance and remuneration
- Support the long term objectives of the operation of the Fund for which SMI is the Trustee, and
- Support the risk management framework of the Trustee.

Key performance measures are set and reviewed annually for each employee and are aligned to the company's strategic plan. To be eligible to participate and receive a short term incentive an Executive Officer must have commenced employment after the 31<sup>st</sup> March in the year of review, have achieved or exceeded the performance measures set for the year and be employed at the time the incentive is paid. The short term incentive is discretionary and needs to be approved by the Board.

All Executive Managers may access a short term incentive bonus equal to 20% of their combined salary and superannuation with the exception of the CEO, who may access a short term incentive bonus equal to 40% of the combined salary and superannuation.

Estimated short term incentive bonus ranges for future financial years are equal to between 0 and 20% of Executive Manager combined salary and superannuation.