



## REMUNERATION REPORT

### 1. BASIS OF PREPARATION

This Remuneration report is designed to provide members with an understanding of Rest's remuneration policies in particular regarding Trustees and Executive Officers as required under s29QB of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") and Regulation 2.37 of the Superannuation Industry (Supervision) Regulations 1994.

### 2. INDIVIDUAL TRUSTEES AND EXECUTIVE OFFICERS (EO)

The Individual Trustees and EOs of Rest disclosed in this report are detailed in Table 1.

The movements which occurred during the financial year 2018-19 are summarised as follows:

#### Trustees

Dr Adam Walk was appointed as Alternate Director to Mr Joe De Bruyn on 28 November 2018;

Mr Rohan Jeffs' contract as a Director expired on 31 March 2019;

Mr Vaughn Richtor was appointed as a Director on 26 June 2019;

Ms Helen Cooney was appointed as Alternate Director to Mr Ian Blandthorn on 26 June 2019.

#### Executive Leadership Team

There were changes to the Executive Leadership Team during the year, as follows:

Mr Andrew Howard's employment as Chief Operating Officer ceased on 8 August 2018;

Mr Phil Budge's employment as Chief Risk Officer ceased on 15 August 2018;

Ms Deborah Potts was appointed as Group Executive Employer and Industry Engagement on 26 November 2018;

Ms Gemma Kyle was appointed as Group Executive Corporate Services on 4 December 2018;

Ms Sandra Coleman's employment as General Manager Transformation and Technology ceased on 1 January 2019;

Mr Craig Hobart's employment as General Manager Strategic Relations ceased on 1 January 2019;

Mr Paul Howard's employment as General Counsel and Company Secretary ceased on 1 January 2019;

Ms Elizabeth Parkin's employment as General Manager Customer Service ceased on 1 January 2019;

Mr Chris Stevens' employment as Chief Financial Officer ceased on 1 January 2019;

Mr Brendan Daly commenced employment as Group Executive Product and Operations on 23 April 2019;

Mr Tyrone O'Neill commenced employment as Group Executive Member Engagement on 23 April 2019; and

Mr Jeremy Hubbard commenced employment as Group Executive Innovation and Transformation on 27 May 2019.

**TABLE 1: TRUSTEES AND EXECUTIVE OFFICERS**

<b>Name</b>	<b>Position</b>	<b>Term as IT/EO</b>
<b>Trustee Directors - Current</b>		
K Marshman	Chairman, appointed as a Director December 2013 Appointed as Chairman July 2014	Full Year
I Blandthorn	Director, appointed September 2008	Full Year
J de Bruyn	Director, appointed December 1988	Full Year
J Edstein	Director, appointed October 2013	Full Year
S Evans	Director, appointed May 2018	Full Year
J Fox	Director, appointed January 2018	Full Year
S Priestley	Director, appointed March 2014	Full Year
V Richtor	Director, appointed June 2019	Part Year
M Tehan	Director, appointed November 2018	Full Year
<b>Alternate Directors<sup>1</sup> - Current</b>		
H Cooney	Alternate Director for I Blandthorn, appointed June 2019	Part Year
M Donovan	Alternate Director for I Blandthorn, appointed March 2011	Full Year
G Dwyer	Alternate Director for J de Bruyn, appointed April 2014	Full Year
J Lester	Alternate Director for S Priestley and J Edstein, appointed July 2016	Full Year
A di Mauro	Alternate Director for M Tehan and J Fox, appointed October 2017	Full Year
A Walk	Alternate Director for J de Bruyn, appointed November 2018	Part Year

<sup>1</sup> No remuneration is paid to Alternate Directors. Alternate Directors are entitled to receive reimbursement of out of pocket expenses associated with the conduct of their role.

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**Chief Executive Officer (CEO)**

V Doyle	Chief Executive Officer appointed May 2018	Full Year
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**Executive Leadership Team**

B Casey	General Manager Investments, appointed October 2016	Full Year
T Evans	Group Executive People and Change, appointed August 2014	Full Year
G Kyle	Group Executive Corporate Services, appointed December 2018	Part Year
D Potts	Group Executive Employer and Industry Engagement, appointed November 2018	Part Year
B Daly	Group Executive Product and Operations, appointed April 2019	Part Year
T O'Neill	Group Executive Member Engagement, appointed April 2019	Part Year
J Hubbard	Group Executive Innovation and Transformation, appointed May 2019	Part Year

**Other Executives**

J Nolan	Advisor to and non-voting member of, the Rest Investment Committee, appointed October 2003	Full Year
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**3. ROLE OF THE BOARD IN REMUNERATION**

Rest's People, Culture and Remuneration Committee (PCRC) is a Committee of the Board. The PCRC is responsible for overseeing corporate governance, organisation design, people strategy and compensation policies and practices which are designed to provide a level and composition of reward, including remuneration, and recognition for all people that:

- will attract, retain and motivate people with the requisite skills and expertise towards high performance;
- is linked to organisation and individual performance;
- maintains the integrity and competitiveness of the Group's remuneration strategies and practices; and
- provides appropriate alignment between members' interests and the employees' interests within an appropriate risk management framework.

The PCRC provides a corporate governance approach that supports the Trustee Company's People strategy and allows the Board to effectively perform a proper review and / or approve function ensuring risk mitigation for operational, financial, regulatory and reputational matters; and compliance with all relevant laws including the Superannuation Industry (Supervision) Act and Regulations, the Australian Prudential Regulation Authority (APRA) Prudential Standards and employment related laws.

Throughout the year the PCRC and management received information from external providers (FIRG, McGuirk Management Consultants, KPMG, and Clayton Utz) on human resources and remuneration matters. This information related to remuneration market data and analysis, market practice on design and structure of the short-term incentive program and advice on legislative requirements and compliance. All Board decisions related to human resources and remuneration matters were made

independently using the information provided and having careful regard to Rest's strategic objectives and remuneration principles.

#### **4. COMPOSITION OF EXECUTIVE OFFICER REMUNERATION**

##### **4.1 Fixed Remuneration**

The fixed remuneration amount is expressed as a total dollar amount taken as cash salary, mandatory superannuation contributions and other nominated benefits, where appropriate.

Rest positions fixed remuneration for the CEO and the Rest Leadership Team against the relevant financial services market taking into consideration role responsibilities, qualifications, experience and performance.

##### **4.2 Variable STI Incentive**

The CEO and the Rest Leadership Team share the same remuneration structure, comprising fixed remuneration and Short Term Incentive (STI) components.

To be eligible for STI payments, Executives must demonstrate behaviours that are aligned to Rest's values.

A Balanced Scorecard approach to STI remuneration is adopted. The scorecard of objectives is developed from Rest's Strategic and Operational objectives and has two performance-based elements - Organisational based objectives and Individual based objectives.

The achievement of objectives results in payments of STI at target levels. Maximum STI is paid in circumstances where objectives are significantly exceeded.

The Board approaches the assessment of organisational and individual performance having regard to a range of factors that impact final outcomes, including both quantitative and qualitative measures.

#### **5. 2018/19 REMUNERATION**

##### **5.1 Trustee Directors**

From inception of the Fund in 1988 until December 2013 no fees were paid to the Directors of Rest apart from the reimbursement of out of pocket expenses in performing their duties.

Directors receive a fee for being a Director or Chairman of the Rest Board, and additional fees for either chairing or being a member of a Board Committee as set below. Included in their fees, Directors receive a Superannuation Guarantee Contribution made in accordance with current Superannuation Guarantee legislation.

The fees are based on the complexity and time committed by Directors in performing their Board and Committee responsibilities. The amount of their fees has been determined having regard to the above and on the basis that they are fair and reasonable, as confirmed by independent remuneration consultants. Directors are not entitled to any short-term incentive.

##### **Elements of Director Remuneration**

<b>Board / Committee</b>	<b>Chairman \$ per annum</b>	<b>Member \$ per annum</b>
Trustee Board	\$91,500	\$47,500
Investment Committee	\$75,000	\$42,500

Member and Employer Services Committee	\$42,500	\$31,500
Audit Risk & Compliance Committee	\$43,000	\$26,500
People, Culture and Remuneration Committee	\$26,500	\$16,000
Trust Deed Committee	\$5,100	\$5,100
Tax Planning Committee	\$3,100	\$3,100

**TABLE 2: TRUSTEE DIRECTORS FOR YEAR ENDED 30 JUNE 2018 AND 30 JUNE 2019**

Current Directors	Position held	Key date	Year	Short-term benefits	Post-employment benefits	Total	Recipient
				cash salary, fees and short-term compensated absences	pension and superannuation benefits		
Ken Marshman	Independent Chairman		2019	191,826	18,224	210,050	Director
			2018	185,388	17,612	203,000	Director
Ian Blandthorn	Director		2019	110,776	10,524	121,300	Director
			2018	98,630	9,370	108,000	Director
Joe de Bruyn	Director		2019	158,037	15,013	173,050	Director
			2018	153,425	14,575	168,000	Director
John Edstein	Director		2019	115,388	10,962	126,350	Director
			2018	103,196	9,804	113,000	Director
Sally Evans	Director	Appointed 2 May 2018	2019	47,220	4,486	51,706	Director
			2018*	6,849	651	7,500	Director
Julia Fox	Director	Appointed 1 January 2018	2019	58,790	5,585	64,375	SDA
			2018*	27,397	2,603	30,000	SDA
Steve Priestley	Director		2019	120,594	11,456	132,050	Director
			2018	116,895	11,105	128,000	Director
Vaughn Richtor	Director	Appointed 26 June 2019	2019*	-	-	-	Director
			2018	-	-	-	NA

Current Directors	Position held	Key date	Year	Short-term benefits	Post-employment benefits	Total	Recipient
				cash salary, fees and short-term compensated absences	pension and superannuation benefits		
Michael Tehan	Director	Appointed 1 October 2017	2019	70,365	6,685	77,050	Director
			2018*	51,370	4,880	56,250	Director

\* The remuneration is from the date of appointment

Past Directors	Position held	Key date	Year	Short-term benefits	Post-employment benefits	Total	Recipient
				cash salary, fees and short-term compensated absences	pension and superannuation benefits		

Sue-Anne Burnley	Director	Resigned 31 December 2017	2019	-	-	-	NA
			2018	27,397	2,603	30,000	SDA

Rohan Jeffs	Director	Resigned 31 March 2019	2019	97,717	9,283	107,000	Director
			2018	127,854	12,146	140,000	Director

Duncan Shaw	Director	Resigned 31 December 2017	2019	-	-	-	NA
			2018	27,397	2,603	30,000	Director

Geoff Williams	Director	Resigned 30 September 2017	2019	-	-	-	NA
			2018	26,256	2,494	28,750	Director

## 5.2 CEO

Remuneration for the CEO in 2018-19 is detailed in Table 3. This includes short term incentives in relation to the financial year to which the performance relates.

**Short term Incentive (STI).** The CEO has a maximum STI entitlement which fully vests in the financial year and is based on a proportion of the CEO's fixed remuneration. The actual amount payable is dependent upon her performance as CEO and the performance of the organisation as a whole. The Board approve the objectives for the Financial Year and assess her performance against these objectives at the end of the year to determine if an STI payment is to be made. Any STI objective not met results in that proportion being forfeited due to not fully meeting performance criteria.

## 5.3 Rest Leadership Team

Statutory remuneration provided to Executives in the 2018-19 Financial Year is detailed in Table 3. Where relevant this includes short-term incentives payable in relation to the financial year to which the performance relates.

**Short Term Incentive (STI).** The STI opportunity fully vests in the financial year and is based on a proportion of the Executive's fixed remuneration. The actual amount payable is dependent upon performance against individual objectives and the performance of the organisation as a whole. The Board / CEO approve the objectives for the Financial Year and assess performance against these objectives at the end of the year to determine if an STI payment will be made.

## 5.4 Other Executives

John Nolan is engaged by Rest as an independent non-voting member of the Investment Committee. In this role, he is deemed to be an Executive Officer of Rest. He also provides consulting services to the Fund. He is entitled to fees for his role and out of pocket expenses but is not entitled to any STI. His remuneration for his role as an Executive Officer is detailed in Table 3.



**TABLE 3: CEO, EXECUTIVE LEADERSHIP TEAM AND OTHER EXECUTIVES REMUNERATION**

Current Executives	Key Date	Year	Short-term benefits				Post-employment benefits		Long term employee benefits <sup>5</sup>	Total
			cash salary, fees and short-term compensated absences <sup>1</sup>	short term cash profit-sharing and other bonuses <sup>2</sup>	non-monetary benefits <sup>3</sup>	other short-term employee benefits <sup>4</sup>	pension and superannuation benefits	other post-employment benefits		
Vicki Doyle Chief Executive Officer	Appointed 28 May 2018	2019	589,010	150,000	30,457	21,427	20,531		4,753	816,179
		2018*	59,250		360	4,312	2,078		140	66,140
Brendan Casey General Manager Investments		2019	303,572	49,419		-12,281	20,534		6,221	367,465
		2018	293,171	53,754		13,511	24,876		1,990	387,302
Brendan Daly Group Executive Product & Operations	Appointed 23 April 2019	2019*	57,797			301	3,444		198	61,740
		2018								
Trevor Evans Group Executive People & Change		2019	247,380	35,246	1,584	12,575	20,538		12,975	330,298
		2018	231,954	33,150	0	-13,066	23,489		4,199	279,726
Jeremy Hubbard Group Executive Innovation & Transformation	Appointed 27 May 2019	2019*	39,374		960	2,997	1,895		137	45,362
		2018								
Gemma Kyle Group Executive Corporate Services	Appointed 4 December 2018	2019*	240,388	39,621		3,382	11,840		836	296,067
		2018								
John Nolan <sup>6</sup> Investment Consultant		2019	38,356				3,644			42,000
		2018	36,530				3,470			40,000

Current Executives	Key Date	Year	Short-term benefits				Post-employment benefits		Long term employee benefits <sup>5</sup>	Total
			cash salary, fees and short-term compensated absences <sup>1</sup>	short term cash profit-sharing and other bonuses <sup>2</sup>	non-monetary benefits <sup>3</sup>	other short-term employee benefits <sup>4</sup>	pension and superannuation benefits	other post-employment benefits		
Tyrone O'Neill Group Executive Member Engagement	Appointed 23 April 2019	2019*	67,746			5,137	3,922		234	77,039
		2018								
Deborah Potts Group Executive Employer & Industry Engagement	Appointed 26 November 2018	2019*	200,321	26,312	1,658	18,851	12,525		17,261	276,929
		2018								

Past Executives	Key date	Year	Short-term benefits				Post-employment benefits		Long term employee benefits <sup>5</sup>	Total
			cash salary, fees and short-term compensated absences <sup>1</sup>	short term cash profit-sharing and other bonuses <sup>2</sup>	non-monetary benefits <sup>3</sup>	other short-term employee benefits <sup>4</sup>	pension and superannuation benefits	other post-employment benefits		
Damian Hill Chief Executive Officer	Ceased 31 January 2018	2019								
		2018	620,913	99,298	28,621	-71,253	23,993		-240,815	460,757
Mary Atley GM Brand, Marketing & Communications	Ceased 18 May 2018	2019								
		2018	320,111			-12,268	20,774		-24,547	304,070
Phil Budge Chief Risk Officer	Ceased 15 August 2018	2019	104,830			-27,705	9,791		-9,658	77,258
		2018	223,045			5,452	23,739		6,298	258,534
Sandra Coleman GM Transformation & Technology	Ceased 1 January 2019	2019	440,313			-9,519	10,557		-15,957	425,393
		2018	281,676	39,650		-1,366	24,707		6,739	351,407

Past Executives	Key date	Year	Short-term benefits				Post-employment benefits		Long term employee benefits <sup>5</sup>	Total
			cash salary, fees and short-term compensated absences <sup>1</sup>	short term cash profit-sharing and other bonuses <sup>2</sup>	non-monetary benefits <sup>3</sup>	other short-term employee benefits <sup>4</sup>	pension and superannuation benefits	other post-employment benefits		
Craig Hobart GM Strategic Relations	Ceased 1 January 2019	2019	406,987			-6,911	10,544		-3,080	407,539
		2018	315,293	45,789		-5,354	26,165		2,382	384,275
Andrew Howard Chief Operating Officer	Ceased 8 August 2018	2019	63,708			-14,811	16,512		-13,448	51,962
		2018 <sup>7</sup>	403,027	164,542	9,440	2,502	22,739		6,995	609,245
Paul Howard General Counsel & Company Secretary	Ceased 1 January 2019	2019	509,137			-16,534	10,557		-41,851	461,308
		2018	292,086	40,698		-18,011	23,219		10,847	348,839
Elizabeth Parkin GM Customer Service	Ceased 1 January 2019	2019	343,415			-2,650	10,566		-5,182	346,149
		2018	256,885	34,903		271	23,697		3,246	319,002
Chris Stevens Chief Financial Officer	Ceased 1 January 2019	2019	523,210			-13,457	10,548		-79,360	440,940
		2018	304,462	37,724		-2,396	22,000		12,572	374,361
<b>Total</b>		<b>2019</b>	<b>4,175,542</b>	<b>304,528</b>	<b>34,660</b>	<b>-39,198</b>	<b>177,947</b>		<b>-125,921</b>	<b>4,527,558</b>
		<b>2018</b>	<b>3,638,403</b>	<b>549,508</b>	<b>38,421</b>	<b>-97,666</b>	<b>264,946</b>		<b>-209,954</b>	<b>4,183,657</b>

#### Notes

\* The remuneration is from the date of appointment. STI has also been awarded on a pro-rata basis where applicable.

<sup>1</sup> Includes any salary sacrifice superannuation items.

<sup>2</sup> Includes the short-term incentives (STI) payable in relation to the financial year to which the performance relates.

<sup>3</sup> Non-monetary benefits include motor vehicle and parking benefits and any associated fringe benefits tax.

<sup>4</sup> Other short term employee benefits include net annual leave accrual

<sup>5</sup> Other long term employee benefits comprise long service leave accrual determined in accordance with ASABI 119 Employee Benefits.

<sup>6</sup> J. Nolan received total remuneration of \$168,000. The table above discloses the amount allocated relating to his Executive Officer role for being a non-voting member of the Investment Committee. The remaining amount of \$126,000 incl super (2018 \$120,000 incl super) relates to consulting services to the Fund.

<sup>7</sup> Andrew Howard was Interim Chief Executive Officer from 1 February 2018 to 27 May 2018

No payments were made to any Executive for agreeing to hold the position.

No contracts for other services provided by Executives to the RSE were made during the year.