

## Remuneration

As an industry super fund, Prime Super is run only to benefit members. The Fund's remuneration practices are set out in a Remuneration Policy maintained by the Board.

### Director remuneration

The Prime Super Board is responsible for reviewing and setting Directors' remuneration on an annual basis.

The total level of Directors' remuneration is reviewed by the Board on an annual basis. Remuneration is set at a level that recognises the responsibilities of Directors, acknowledges the expectations of Directors at law, that is comparative to market, and that encompasses all activities of Directors.

Directors are separately remunerated for additional activities they undertake on behalf of the Board, outside their normal duties. Remuneration for such activities is only payable where the Chair/Board has approved of those activities.

The Chair and Deputy Chair receive a higher level of remuneration as a reflection of the increased workload and responsibility associated with those roles.

### Prime Super Board of Directors

Name	Position Held	Date appointed to Board	Date appointed to role	Date ceased
Alan Bowman	Chair	26 January 2001	1 January 2011	
Bradley Crofts	Deputy Chair	4 January 2010	1 January 2011	19 June 2013
Virginia Collins	Director	2 August 2001		19 June 2013
David Cooper	Director	1 July 2009		
Trevor Dixon	Director	5 April 2004		
Duncan Fraser	Director	25 August 2010		
Russell Higginbotham	Director	5 April 2004		

Details of the remuneration paid to directors are set out in the table on page 3.

## **Executive remuneration**

To achieve its goals in relation to executive staff, the *Remuneration Policy* is designed to:

- encourage executives to perform to their fullest capacity;
- be business focused and flexible;
- be competitive and cost effective in each relevant employment market; and
- be internally consistent.

Executive remuneration may incorporate fixed and variable performance elements with both a short-term and long-term focus.

In setting any performance-based component of remuneration, the Prime Super Board ensures that the performance-based component supports:

- protecting the interests, and meeting the reasonable expectations of members;
- the long-term soundness of the Fund Trustee and the Fund; and
- the risk management framework of the Fund Trustee.

### **Chief Executive Officer remuneration**

The Prime Super Board is responsible for reviewing and setting the level and structure of remuneration of the Chief Executive Officer (CEO) on an annual basis, including the assessment of any annual performance bonus to be awarded.

The CEO's remuneration has due regard to industry practice and comparative information, and is set at levels and is structured to attract, motivate, reward and retain good performers to drive the Fund efficiently.

### **Other Executives remuneration**

The CEO is responsible for reviewing and setting the level and structure of remuneration of the other Executives on an annual basis.

Other Executives' remuneration has due regard to industry practice, comparative information and the financial constraints of the business. It is structured to attract, motivate, reward and retain good performers to drive the Fund efficiently.

The CEO undertakes an annual review of the performance of the other Executives, including the assessment of any annual performance bonus to be awarded.

Details of the remuneration paid to the CEO and other executives are set out in the table on page 3.

### **Prime Super Executive officers**

<b>Name</b>	<b>Position held</b>	<b>Date appointed to role</b>
Lachlan Baird	Chief Executive Officer	21 March 2005
Stephen Pratt	General Manager - Operations	7 January 2008

## Director & Executive remuneration

	Short-term benefits				Post-employment benefits		Termination payments	TOTAL
	Cash salary & short-term compensated absences <sup>1</sup>	Short-term cash and other bonuses <sup>2</sup>	Non-monetary benefits <sup>3</sup>	Other short-term employee benefits	Pension & superannuation benefits	Other post-employment benefits		TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>								
<b>Alan Bowman</b>								
2013	67,500	0	0	0	0	0	0	67,500
2012	61,645	0	0	0	0	0	0	61,645
<b>Bradley Crofts</b>								
2013	53,847	0	0	0	4,846	0	0	58,693
2012	51,515	0	0	0	4,974	0	0	56,489
<b>Virginia Collins</b>								
2013	47,248	0	0	0	4,252	0	0	51,500
2012	47,060	0	0	0	4,235	0	0	51,295
<b>Trevor Dixon</b>								
2013	47,248	0	0	0	4,252	0	0	51,500
2012	47,060	0	0	0	4,235	0	0	51,295
<b>Russell Higginbotham</b>								
2013	47,248	0	0	0	4,252	0	0	51,500
2012	47,060	0	0	0	4,235	0	0	51,295
<b>David Cooper</b>								
2013	47,248	0	0	0	4,252	0	0	51,500
2012	49,319	0	0	0	4,439	0	0	53,758
<b>Duncan Fraser</b>								
2013	47,248	0	0	0	4,252	0	0	51,500
2012	47,060	0	0	0	4,235	0	0	51,295
<b>Executive officers</b>								
<b>Lachlan Baird</b>								
2013	275,828	30,000	9,141	0	24,659	0	0	339,628
2012	272,397	29,000	14,407	0	22,706	0	0	338,510
<b>Stephen Pratt</b>								
2013	174,666	21,640	40,499	0	17,509	0	0	254,314
2012	172,643	20,908	25,376	0	19,407	0	0	238,334

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

<sup>2</sup> Includes any superannuation guarantee component of bonus payments.

<sup>3</sup> Includes any salary sacrifice items other than superannuation.

Please note: No share-based remuneration or long-term benefits are paid or payable to Directors or Executive officers.

## Executive officers - annual leave and long service leave entitlements accrued during the year

	Short-term benefits	Long-term benefits
	Cash salary and short term compensated absences <sup>1</sup>	Other long-term employee benefits <sup>2</sup>
	\$	\$
<b>Executive officers</b>		
<b>Lachlan Baird</b>		
2013	12,852	7,845
2012	-12,621	2,912
<b>Stephen Pratt</b>		
2013	-516	0
2012	-6,993	0

<sup>1</sup> Comprises annual leave accruals, including any leave loading applicable, determined in accordance with AASB 119 Employee Benefits.

<sup>2</sup> Comprises long service leave accruals determined in accordance with AASB 119 Employee Benefits.

## Executive officers - performance-based components of remuneration

Executive officers	Date granted	Nature of compensated granted	Service & performance criteria	% that was paid/vested in the financial year	% that was forfeited in the financial year
Lachlan Baird	19 June 2013	Cash bonus	Out-performance when measured against pre-agreed Key Performance Indicators (KPIs). The KPIs include measures relating to the Fund and the individual, and include financial, people, member, strategy and risk measures.	100	0
Stephen Pratt	19 June 2013	Cash bonus	Out-performance when measured against pre-agreed Key Performance Indicators (KPIs). The KPIs include measures relating to the Fund and the individual, and include financial, people, member, strategy and risk measures.	100	0