

REMUNERATION REPORT (AUDITED)

Table 3

NAME	ROLE
Non-Executive Directors	
Roger Corbett	Non-Executive Chairman
Michael Anderson	Non-Executive Director
Jack Cowin	Non-Executive Director
Sandra McPhee	Non-Executive Director
James Millar	Non-Executive Director
Sam Morgan	Non-Executive Director
Linda Nicholls	Non-Executive Director
Peter Young	Non-Executive Director
Executive Director	
Greg Hywood	Chief Executive Officer
Other Executives	
David Housego	Chief Financial Officer (effective from 3 December)
Gail Hambley	Group General Counsel/Company Secretary
Allen Williams	Managing Director, Australian Publishing Media
Former Executives	
Brian Cassell	Chief Financial Officer (until 3 December)

6. REMUNERATION OF EXECUTIVE KMP

6.1 PERFORMANCE-BASED SHORT-TERM INCENTIVES (“BONUS PAYMENTS”) FOR SENIOR EXECUTIVES

As the 2013 incentive gate target was not met, no STI is payable to KMP for the financial year.

The Board reviewed the Group's STI arrangements during the year and determined to wind up the existing Plan.

The following table sets out how the Group's STI arrangements operated during the 2013 financial year.

Table 4

DETAIL OF 2013 STI ARRANGEMENTS

What is the STI?	Annual bonus payments for senior executives with an emphasis on the achievement of annual financial performance criteria for the Group as well as specific strategic and operational criteria. For key senior executives other than the CEO, the bonus criteria were set by the P&CC. Bonus criteria for the CEO were set by the Board. For the 2013 financial year, an incentive gate applied which required a threshold level of financial performance to be achieved before any bonuses became payable. The incentive gate was set at the achievement of the Group's budgeted EBIT. This was not achieved in 2013 so no STI was paid.	
What were the performance measures and why were they chosen?	Three components applied in respect of FY13.	
	LEVEL	COMPONENT
	Corporate Level (50%)	drives corporate financial results (EBIT) and encourages senior management to work together for the overall benefit of the Group
	Business Unit Level (25%)	drives business unit financial and other operational metrics to encourage team behaviour (e.g. EBIT, cost reductions, audience, market position and revenue)
	Strategic Level (25%)	indicators of future Group, business unit and personal success (delivery against milestones and personal development) to drive the delivery of the Corporate strategy.
What could executives earn under the STI?	Each senior executive had a target opportunity depending on the accountabilities of the role and impact on Company or business unit performance. There are two levels of performance:	
	PERFORMANCE LEVEL	OPPORTUNITY
	“on-target” performance - e.g. for EBIT the “on-target” performance is typically achievement of budget or prior year	CEO - 75% of fixed remuneration Other executive KMP - 45% of fixed remuneration
	“maximum” performance - requires stretching performance targets to be met.	CEO - 150% of fixed remuneration Other executive KMP - 90% of fixed remuneration