

# Board Remuneration Policy

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## Introduction

As a profit-for-members superannuation fund, Australian Retirement Trust is run only to benefit members.

The Board, as corporate trustee of Australian Retirement Trust, has fiduciary and statutory obligations to manage the assets of the Fund on behalf of its beneficiaries, and in the beneficiaries' best financial interests. To ensure that appropriately skilled and qualified people are attracted and retained as Board members, and to fairly compensate them for their time, effort and the legal liability which they take on, Australian Retirement Trust has developed this Board Remuneration Policy to transparently articulate its remuneration practices.

## Guiding Principles

Australian Retirement Trust is committed to a remuneration strategy that meets the following principles:

- ensure that Board remains mindful of the relationship between remuneration and costs to members.
- ensure that Australian Retirement Trust provides a reasonable (and not excessive) level of remuneration in-line with the larger, comparative profit-for-member funds in the industry.
- ensure that the Board of Australian Retirement Trust gives appropriate consideration to the long-term financial soundness of the Fund.
- ensure that the Board members do not receive performance-related remuneration incentives, long service leave, retirement or termination benefits which could encourage inappropriate risks with members' monies.
- ensure the remuneration arrangements are supported by a governance framework that avoids conflicts of interest, defines clear accountabilities, and ensures that proper, independent, and rigorous reviews are in place.

## Legislative Compliance

This Policy has been prepared in compliance with the SIS Act and the requirements of Prudential Standard, SPS 510 'Governance'.

## Responsibility & Accountability

The Board acknowledges that it has ultimate responsibility for the sound and prudent management of Australian Retirement Trust, including Australian Retirement Trust's remuneration arrangements.

The Board also acknowledges the inevitable conflict in determining its own remuneration arrangements and acting in the best financial interests of members.

To mitigate this conflict, the Board has had an independent review undertaken of this Policy and the Board remuneration amounts by AIST, a not-for-profit membership organisation which supports profit-to-member funds to achieve member-first outcomes and fairness across the retirement system. The Board will also engage an independent third party to review of the Board remuneration arrangements at least once every three years to ensure that it remains reasonable and in-line with comparative profit-for-member funds in the industry.

In addition to this, the Board is keen ensure transparency of its remuneration arrangements and has made this Policy, and the Board members' annual remuneration payments, publicly available on the Australian Retirement Trust website.

The Board of Australian Retirement Trust has established the People & Nominations Committee to assist it in carrying out its responsibilities in relation to remuneration arrangements. The specific role and responsibilities of the Committee are contained in the People & Nominations Committee Charter.

## Director – Base Remuneration

Australian Retirement Trust Directors will be paid a base fee for their directorship which is paid regardless of attendance. As all Directors are expected to sit on at least one Committee, this base fee will also include participation, as a Committee Member, on one Committee (i.e. there will be no additional remuneration if a Director is on only one Committee).

The annual remuneration amount is not linked to fund membership numbers, funds under management, or the investment performance of the Fund (i.e. Director remuneration is not incentivised).

## Chair – Remuneration

The Board Chair will be remunerated at a higher rate than that of a Director reflecting the additional workload and responsibilities of that position. For the Chair, this will be an all-inclusive fee (i.e. he/she does not receive any additional Committee Chair or Committee member fees).

As above, the annual remuneration amount is not linked to fund membership numbers, funds under management, or the investment performance of the Fund (i.e. the Chair's remuneration is not incentivised).

## Deputy Chair – Remuneration

The Deputy Chair will be remunerated at a higher rate than that of a Director reflecting the additional workload and responsibilities of that position. The Deputy Chair is also entitled to receive an additional Committee Chair or Committee Member allowance where applicable.

## Committee Chair & Member Allowance

Directors will receive an additional Committee allowance if they serve on two or more Committees, however only one additional Committee allowance will be paid regardless of how many Committees the Director serves on (however there are no fees payable to Directors for their participation on the Valuations Oversight Committee). The Board considers it important for the Committee workload to be spread amongst the Directors and therefore does not wish to encourage Directors to take on more than two Committee memberships.

The Committee Chairs will be entitled to a Committee Chair allowance recognising the additional workload of these positions over that of a Committee member, unless they are also the Chair of the Board, in which case no additional allowance will be paid. Committee Chairs will only be entitled to one Committee Chair allowance even if they are Chair of two or more Committees, however they may also receive one additional Committee member allowance for the second, and subsequent Committees. For the purposes of remuneration, a Board member receiving a Committee Chair allowance will not be counted as a Committee member with respect to the number of Committees they serve on. For example, the Chair of a Committee will not also receive payment for membership of the Committee.

The Committee allowance is the same regardless of which Committee the Director is a member of (with the exception of the Valuations Oversight Committee as noted above). For example, a member of the Audit & Finance

Committee will receive the same allowance as a member of the Investment Committee. The Board considers that all Committees play an equally important role in supporting the Board and there should not be more incentive for a Director to be on one Committee rather than another.

## Remuneration & Allowances

The table below outlines the current Board remuneration and Committee allowances for 2024/2025:

Position	Remuneration Rate	Total
Chair Remuneration	\$194,393 per annum plus 13.5% super	\$220,636
Deputy Chair Remuneration	\$115,430 per annum plus 13.5% super	\$164,097
Director Remuneration	\$86,281 per annum plus 13.5% super	\$97,929
Committee Chair Allowance	\$29,149 per annum plus 13.5% super	\$33,084
Committee Member Allowance <sup>1</sup>	\$14,574 per annum plus 13.5% super	\$16,542

<sup>1</sup> Directors only receive this allowance if they sit on more than one Committee, and they can only receive the allowance once.

Each financial year, the Board may increase the remuneration rates in line with increases of the national consumer price index (CPI), and no greater.

The Board will engage an independent third party to review of the Board remuneration amounts at least once every three years to ensure that it remains reasonable and in-line with comparative profit-for-member funds in the industry.

### Examples

Board Chair = \$A / Director Fee = \$B / Committee Chair Fee = \$C / Committee Member Fee = \$D

Board Chair, including one (or more) Committee Chair and/or Committees = \$A

Director only (no Committees) = \$B

Director on one Committee = \$B

Director and two (or more) Committees = \$B + \$D

Director and Committee Chair = \$B + \$C

Director, Committee Chair and one Committee = \$B + \$C

Director, Committee Chair and two (or more) Committees = \$B + \$C + \$D

Director, two (or more) Committee Chairs and no Committees = \$B + \$C

Director, two (or more) Committee Chairs and one (or more) Committees = \$B + \$C + \$D

## Remuneration for Queensland Public Service Employees

Remuneration for Queensland Public Service employees will be determined in consultation with a representative of the Queensland Government and might result in no remuneration being payable. This determination may include whether the remuneration amount can be retained (in full or in part) by the Director, or is paid to their employing organisation.

## Superannuation

Directors will receive 13.5% superannuation contributions on their respective remuneration and allowance.

## Payment to Employing Organisations

Directors nominated by Union Organisations, may (at their discretion), have their remuneration paid to their employing organisations. The respective Union will invoice Australian Retirement Trust on a monthly or quarterly basis in arrears and the amount will be subject to GST (if appropriate).

## Payroll

Directors' remuneration for those other than in "Payment to Employing Organisations" (above), will generally be paid through the Australian Retirement Trust payroll. PAYG Withholding will be deducted and superannuation payments will be made to the Director's nominated superannuation fund.

## Professional Development / Engagements

Directors will not be paid any additional fees with respect to the time required to complete the required professional development activities (this is on the basis that the Director must invest their own time in meeting requisite educational standards to be a Trustee Director). Expenses in relation to professional development will be paid by Australian Retirement Trust. Directors will also not be paid any additional fees for their attendance and participation in Australian Retirement Trust engagements including member events, staff events, and/or industry events.

## Expenses

Reasonable expenses incurred by Directors in the performance of their role will be paid for (or reimbursed) by Australian Retirement Trust in accordance with the Australian Retirement Trust Expense Policy.

## Policy and Remuneration Review

The Board will review the remuneration amounts every year. This Policy and the remuneration amounts will be reviewed at least once every three years by an independent third party to ensure that they remain reasonable (having consideration to the size / complexity of Australian Retirement Trust, and economic circumstances at that time), and in-line with comparative profit-for-member funds in the industry.

## Risk Management

Material Risk	Control(s)	Business unit
1. Reputation Risk	<ul style="list-style-type: none"> <li>Reasonableness of remuneration will help to ensure that ART's reputation is not negatively impacted.</li> </ul>	<ul style="list-style-type: none"> <li>Legal &amp; Secretariat</li> </ul>

	<ul style="list-style-type: none"> <li>The publication of the Board's remuneration provides transparency to members and other stakeholders.</li> </ul>	
<b>2. Regulatory Risk</b>	<ul style="list-style-type: none"> <li>Having a Board approved Remuneration Policy is a regulatory requirement.</li> <li>Implementation and compliance with the Policy will ensure regulatory requirements are met.</li> </ul>	<ul style="list-style-type: none"> <li>Legal &amp; Secretariat</li> </ul>
<b>3. Corporate Governance Risk</b>	<ul style="list-style-type: none"> <li>All of the above.</li> </ul>	<ul style="list-style-type: none"> <li>Legal &amp; Secretariat</li> </ul>

## Approval History

Version	Approver	Approval date
1	ART Board	28 February 2022
2	ART Board	30 June 2022
3	ART Board	15 December 2022

## Committee Memberships

The below table represents the current Committee memberships:

Director	Audit & Finance Committee	Investment Committee	Legal & Governance Committee	Member Outcomes Committee	People & Nominations Committee	Risk Committee	Technology & Transformation Committee	Valuations Oversight Committee
Andrew Fraser (Chair)	Member	Member	Member	Member	Member	Member	Member	Member
Beth Mohle (Deputy Chair)		Member			Chair			
Aaron Santelises			Member	Member				
Bruce Cowley	Chair		Chair			Member	Chair	Member
Helen Rowell	Member			Member	Member	Chair		Member
Jennifer Thomas					Member	Member		
Kate Ruttiman	Member							
Linda Apelt		Member		Chair		Member	Member	
Mark Burgess		Chair		Member		Member	Member	Chair
Marnie Baker						Member	Member	
Martin Parkinson		Member			Member			
Michael Clifford				Member	Member			
Shayne Maxwell	Member							

## Board Remuneration

The below table documents the Director remuneration amounts:

Director	Committee Roles	Base Remuneration	Committee Chair Allowance	Committee Member Allowance	Super (13.5%)	Total
Andrew Fraser (Chair)	Board Chair	\$194,393			\$26,243	\$220,636
Beth Mohle (Deputy Chair)	Deputy Chair, Committee Chair plus Committee member	\$115,430	\$29,149		\$19,518	\$164,097
Aaron Santelises	Committee member x 2	\$86,281		\$14,574	\$13,615	\$114,471
Bruce Cowley	Committee Chair x 3 plus Committee member x 2	\$86,281	\$29,149	\$14,574	\$17,551	\$147,555
Helen Rowell	Committee Chair plus Committee member x 4	\$86,281	\$29,149	\$14,574	\$17,551	\$147,555
Linda Apelt	Committee Chair plus Committee member x 3	\$86,281	\$29,149	\$14,574	\$17,551	\$147,555
Jennifer Thomas	Committee member x 2	\$86,281		\$14,574	\$13,615	\$114,471
Kate Ruttiman	Committee member	\$86,281			\$11,648	\$97,929
Mark Burgess	Committee Chair x 2 plus Committee member x 3	\$86,281	\$29,149	\$14,574	\$17,551	\$147,555
Marnie Baker	Committee member x 2	\$86,281		\$14,574	\$13,615	\$114,471
Martin Parkinson	Committee Member x 2	\$86,281		\$14,574	\$13,615	\$114,471
Michael Clifford	Committee member x 2	\$86,281		\$14,574	\$13,615	\$114,471
Shayne Maxwell	Committee member	\$86,281			\$11,648	\$97,929