



## Our Approach to Remuneration

At First Super, our approach to paying remuneration is to balance the need to pay appropriate remuneration to attract suitably qualified and experienced directors and staff while strictly avoiding any conflict between the method of remuneration and the interests of the beneficiaries of the Fund. We therefore do not pay variable remuneration to any directors or staff, including senior executives.

### Our Framework

Our remuneration framework encompasses a Remuneration Policy (Policy), Remuneration Committee Charter (Charter), as well as performance management and disciplinary procedures all of which form part of the Trustee's risk management framework. Our framework is aligned with our business plan and strategic objectives.

The Policy covers all Trustee directors and employees, the approved auditor and internal auditor, and any other contractors who are covered by other APRA requirements. Remuneration arrangements for external service providers including investment managers are covered by the Trustee's outsourcing requirements and due diligence requirements.

### Governance and Oversight

The Trustee's Remuneration Committee assists the Board in the review and management of remuneration, with the Board ultimately responsible for making decisions about remuneration. The Remuneration Committee makes at least annual recommendations to the Board on the remuneration of Directors, Officers, other employees of First Super, and any other person or entity covered by the Remuneration Policy.

The terms of reference for the Remuneration Committee are to provide quality assurance in respect of remuneration policies with a primary emphasis on the remuneration of the Chief Executive Officer and executives in senior responsible roles.

Responsibilities of the Committee include:

- definitions of materiality hurdles at which management must make;
- recommendations to the Committee on proposed changes to remuneration;
- and employee benefit policies;
- remuneration policies and any other forms of reward;
- oversight of the annual CEO performance review;
- alignment of remuneration with the Trustee's objectives and performance; and
- retirement, termination, retention and redundancy policies.



The Committee may request reports from the Auditor, administrator, and others from time to time, including external experts in the area of Director and executive officer remuneration. This includes free and unfettered access to risk and financial control personnel and other parties (internal and external) in carrying out its duties.

#### Market Review and Trends in Remuneration

The Committee reviews remuneration markets for Trustee Directors, Chief Executive Officers, and executives in senior roles within superannuation funds. Additionally, it monitors trends and developments in employee remuneration and employment conditions, the recommendations of the Chief Executive Officer for the annual salary budget, and the effectiveness of remuneration policies and procedures.

#### Consequence Management

First super has performance management procedures in place to manage poor performance or failure to effectively manage risk. In the absence of variable remuneration, consequence management will include non-remuneration-based consequences depending on the severity of the performance or conduct issue.