



Remuneration Report

**FOR THE YEAR ENDED
30 JUNE 2023**

Remuneration Report

AREMUNERATION REPORT

UniSuper seeks to attract and retain highly experienced and capable employees so that we can deliver on our purpose of providing greater retirement outcomes for our members.

How a person goes about performing their work is paramount as it underpins UniSuper's culture and way of doing things.

Providing fair, equitable and competitive remuneration for UniSuper's Directors, Executives and employees is central to supporting our purpose. The information contained in this remuneration report provides an overview of UniSuper's non-Executive Director and Executive remuneration practices.

The remuneration report is set out under the following main headings:

1. Governance and oversight of UniSuper's remuneration practices
2. Directors' remuneration
3. Executives' remuneration

1 Governance and oversight of UniSuper's remuneration practices

The Boards of UniSuper Limited (USL) and UniSuper Management Pty Ltd (USM) have established Remuneration Committees ('the People and Remuneration Committee') which assist the Boards to discharge their corporate governance responsibilities.

The People and Remuneration Committee maintains oversight of and seeks to ensure that UniSuper has robust and coherent remuneration policies and practices in place. At all times, UniSuper seeks to fairly and responsibly attract, retain, motivate and reward high calibre employees who display and model UniSuper's values and culture.

The People and Remuneration Committee is responsible for making recommendations to the Board regarding matters such as:

- UniSuper's total rewards program including formulation of the USM Remuneration Policy
- The fees to be paid to Directors and non-Director committee members
- Remuneration of the CEO and the Executive Leadership Team

From time to time the People and Remuneration Committee engages remuneration consultants to provide specialist independent advice to ensure that:

- UniSuper's remuneration is in line with industry standards
- UniSuper continues to attract and retain high quality employees to serve its members

2 Directors' remuneration

In setting the Directors' remuneration, the USL Board (with guidance from the People and Remuneration Committee) seeks the advice of independent remuneration consultants to ensure the Directors' fees are appropriate and in line with the broader financial services market.

Specifically, a full external review is conducted every three years. In the interim, adjustments may be made where appropriate (and within already approved limits), and having considered remuneration benchmarking and other relevant data. The key objective is to ensure that Directors are remunerated fairly, having regard to their skills, experience and responsibility.

The Directors' fees are determined within an aggregate Director fee pool limit which is periodically approved by shareholders at the Annual General Meeting (AGM) and subject to annual indexation. The fee pool is \$1,390,000 for the 2023 financial year. A decision was made to increase Directors' fees by 4.00% in 2023.

UniSuper has both independently appointed Directors and representative Directors. Accordingly, the remuneration of Directors differs between these two categories, as follows:

- Independently appointed Directors – the fees are based on comparable positions in other superannuation funds and the financial services sector more broadly; and
- Representative Directors – the fees are compared to representative Directors of other profit-for-members superannuation funds.

The fees payable to individual Directors may be delivered as a combination of cash and superannuation at the Director's discretion (subject to minimum superannuation guarantee requirements).

Directors' remuneration fees payable for the 2023 and 2022 financial years:

	2023	2022
	\$	\$
Board		
Chair	263,953	250,193
Deputy Chair ¹	13,856	-
Other independently appointed Directors	131,976	125,096
Representative Directors	65,988	62,548
Committee chairs		
Investment	45,501	43,130
Audit Risk & Compliance, Insurance, Technology & Projects	34,129	32,350
People and Remuneration	21,155	20,052
Committee members		
Investment, Audit Risk & Compliance, Insurance, Technology & Projects	21,616	20,489
People and Remuneration	13,423	12,724

¹ Deputy Chair was a new role established from 1 July 2022

The Board Chair fee is all inclusive. Fees for other Directors are the sum of the Board fee plus additional fees aligned to the roles played in the individual Board Committees. The fee for the Deputy Chair is the sum of the Board fee plus additional fees aligned to the role as Deputy Chair and roles played in the individual Board Committees.

Directors do not receive performance related incentives, long service leave, retirement or termination benefits.

Directors are appointed or elected for a term of three years but are eligible for further terms subject to being reappointed or re-elected.

REMUNERATION REPORT

Aggregate Directors' remuneration information for the 2023 and 2022 financial years:

DIRECTORS <i>Role & appointment details</i>	YEAR	SHORT TERM	POST EMPLOYMENT	TOTAL (\$)
		<i>Cash salary</i> (\$)	<i>Super</i> (\$)	
Mark Armour Independent Director & Chair (from 01/01/2023) ¹	2023	233,035	24,469	257,504
	2022	182,342	18,234	200,576
Grahame McCulloch National Union Nominated Director & Deputy Chair ²	2023	103,968	10,875	114,843
	2022	91,497	9,150	100,647
Professor Peter Dawkins Employer Nominated Director	2023	86,379	-	86,379
	2022	82,660	-	82,660
Nicole Gower Employer Nominated Director ³	2023	83,038	3,450	86,488
	2022	85,128	-	85,128
Professor Lelia Green Member Nominated Director	2023	79,280	8,324	87,604
	2022	75,488	7,549	83,037
Amy Griffiths Member Nominated Director	2023	79,280	8,324	87,604
	2022	75,488	7,549	83,037
Professor Sandra Harding Employer Nominated Director ⁴	2023	95,260	-	95,260
	2022	44,381	-	44,381
Sarah Roberts National Union Nominated Director ⁵	2023	92,549	-	92,549
	2022	72,462	-	72,462
Nicolette Rubinsztein Independent Director	2023	169,884	17,838	187,722
	2022	161,760	16,176	177,936
Peter Warne Independent Director (from 01/01/2023) ⁶	2023	78,138	8,204	86,342
	2022	-	-	-
Stephen Somogyi Employer Nominated Director	2023	90,604	9,513	100,117
	2022	86,271	8,627	94,898
Dr Jane den Hollander Independent Director (to 25 October 2021)	2023	-	-	-
	2022	29,728	2,973	32,701
Ian Martin Independent Director & Chair (to 31/12/2022)	2023	119,436	12,541	131,977
	2022	227,448	22,745	250,193
TOTAL	2023	1,310,851	103,538	1,414,389
	2022	1,214,653	93,003	1,307,656

¹ Mark Armour was appointed as a member of the People and Remuneration Committee effective 1 January 2023.

² Grahame McCulloch was appointed as Deputy Chair of the Board effective 1 January 2022.

³ Remuneration for Nicole Gower was paid to her employer - Macquarie University until 31 January 2023. Remuneration from 01 Feb 2023 paid directly to Nicole Gower.

⁴ Sandra Harding was appointed as a member of the Technology and Projects Committee effective 1 January 2023.

⁵ Remuneration for Sarah Roberts is paid to her employer - National Tertiary Education Union. Additional appointment as Chair of the Technology and Projects Committee effective 1 January 2023.

⁶ Peter Warne was appointed as a Chair of the Investment Committee effective 1 January 2023.

Consultants who have voting rights and qualify as KMP per the definition in AASB124:

CONSULTANTS	YEAR	SHORT TERM	POST EMPLOYMENT	TOTAL (\$)
		Cash salary (\$)	Super (\$)	
<i>Role & appointment details</i>				
Christopher Cuffe Investment Committee member	2023	55,068	5,782	60,850
	2022	54,795	5,479	60,274
Anthony Fitzgerald Investment Committee member	2023	55,068	5,782	60,850
	2022	54,795	5,479	60,274
Felicity Gates Investment Committee member	2023	55,068	5,782	60,850
	2022	54,795	5,479	60,274
Dr Susan Gould Insurance Committee member	2023	30,288	3,180	33,468
	2022	30,137	3,014	33,151
Jennifer Lang Insurance Committee member ¹	2023	30,000	-	30,000
	2022	30,000	-	30,000
TOTAL	2023	225,492	20,526	246,018
	2022	224,522	19,451	243,973

¹ Consultant fees for Jennifer Lang are paid to an incorporated entity.

3 Executives' remuneration

3.1 Overview

All Executives are employed and paid by USM (the fund administrator) which is an Investment within Unisuper and Controlled Entities Group (Fund).

USM has a formal remuneration policy (The Remuneration Policy) in place. The Remuneration Policy is designed to be robust and transparent and to support the business strategy and goals. At all times there is a focus on aligning Executive remuneration outcomes with ensuring great retirement outcomes for our members. The Remuneration Policy also articulates clear governance gateway consequences and risk expectations of every Executive member.

Executives do not receive any equity based remuneration.

3.2 UniSuper's guiding remuneration principles

The Remuneration Policy details the remuneration philosophy, structures and objectives designed to achieve UniSuper's purpose - "to provide greater retirement outcomes for members" and support the achievement of our vision to be the "best value superannuation fund in Australia".

USM's remuneration philosophy is to provide fair, flexible and competitive remuneration, reflective of market practice.

The Remuneration Policy aims to achieve the following objectives:

- Encourage behaviours that support UniSuper's culture, risk appetite and values

- Appropriately reward UniSuper employees for their performance outcomes
- Reward performance that contributes to Fund strategy and success
- Assure gender pay equity
- Attract, motivate and retain high calibre employees

At all times, there is an overarching focus on ensuring that Executives (and their teams) meet the governance gateway behavioural expectations and live UniSuper's values in performing their work and delivering great retirement outcomes for our members.

3.3 Remuneration components

There are two components that make up an individual's total remuneration package:

- a. Fixed remuneration; and
- b. Variable remuneration

3.4 Fixed remuneration

Fixed remuneration is made up of base salary and employer superannuation contributions. Fixed remuneration is reviewed annually; however, annual fixed remuneration increases are not guaranteed (and are assessed on a case by case basis).

3.5 Variable remuneration

At the discretion of the USM Board, Executives may be eligible to receive an annual incentive (sometimes referred to as performance-based remuneration) in recognition of their performance.

The incentive is comprised of two components:

- a. UniSuper corporate performance; and
- b. Individual (and team) performance.

REMUNERATION REPORT

The incentive forms part of the annual performance management cycle (described in more detail below).

Variable remuneration is calculated on an annual cycle (with approval by the USM People and Remuneration Committee and Board post 30 June) and is payable in September. A portion of the CEO's variable remuneration is deferred at a rate of 10% for one year and 10% for two years, subject to a number of pre-conditions. The USM People and Remuneration Committee and Board exercises its sole discretion to pay the Deferred Component at time of vesting. All incentives are paid in cash with no access to any share-based payments.

3.6 UniSuper corporate performance component

The UniSuper corporate performance component focuses on the overall performance of UniSuper as an organisation, aligned with strategic priorities and goals. It is linked to key result areas (KRAs) including:

1. Strong investment performance;
2. Great value and low fees
3. Excellent service,
4. Fund growth
5. Member retention, and
6. Employee engagement and turnover

a. Individual (and team) component

First and foremost, the individual (and team) component at all times requires the mandatory attainment of clear expectations in relation to individual governance requirements and workplace behaviours (i.e. a governance and behavioural gateway).

It is also directly linked to achieving outcomes specific to the area of the Executive's operation and control (and such outcomes will vary from year to year depending on the business plan). As such, the annual performance management cycle underpins the individual component of the annual incentive.

The annual performance management cycle (for all employees, including Executives) incorporates three phases:

1. Planning of agreed targets for the year ahead, for both the Fund and the individual;
2. Tracking and providing feedback on performance during the year; and
3. Review and assessment of performance against agreed targets and behaviours at the end of the year.

In order to utilise their strengths and provide new skills and knowledge, Executives are also provided with targeted learning and development opportunities.

Accordingly, the individual component of the annual incentive is linked to performance against targets (which are developed and agreed annually as part of the above performance management cycle) and includes rigorous assessment and scrutiny by the People and Remuneration Committee and Board.

3.7 Variable remuneration is at risk

The award of an incentive to an Executive is never guaranteed and is always at the full discretion of the Board (with advice from the People and Remuneration Committee). Any decisions to award an incentive are based on market relativities and the level of direct impact each individual can have on the results of the Fund.

Importantly, good governance underpins everything we do at UniSuper and all employees are expected to adhere to a set of core governance standards and behavioural expectations. This sets a threshold that must be met before any incentives are awarded (i.e. a governance and behavioural gateway).

3.8 Individual USM Executive remuneration

USM is committed to the highest levels of transparency and disclosure regarding each Executive.

The aggregate level of remuneration (i.e. fixed plus variable remuneration) for each Executive (for the 2022/2023 financial year) is provided below.

EXECUTIVES ¹	YEAR	SHORT TERM			POST	TERMINATION / OTHER		TOTAL (\$)
		Cash salary (\$) ³	Cash incentive (\$) ⁴	Deferred incentive (\$) ⁵	EMPLOYMENT Super (\$)	LONG TERM	PAYMENTS (\$) ²	
Role & appointment details						Long service (\$) ⁶		
Peter Chun Chief Executive Officer ⁷	2023	752,525	292,262	73,066	127,929	6,259	-	1,252,041
	2022	595,385	311,688	77,922	118,351	750	-	1,104,096
Kevin O'Sullivan Chief Executive Officer (to 10 September 2021)	2023	-	-	-	-	-	-	-
	2022	110,947	-	-	67,899	-	466,495	645,341
Anastasia Crisafi Chief Financial Officer	2023	361,217	124,660	-	38,783	2,207	-	526,867
	2022	92,045	-	-	15,648	112	-	107,805
Danielle Mair Chief Member & Advice Officer	2023	384,696	137,976	-	40,401	2,458	-	565,531
	2022	124,475	-	-	12,448	154	-	137,077
Steven McGregor Chief Delivery & Information Officer	2023	420,860	137,671	-	44,199	7,398	-	610,128
	2022	409,091	145,913	-	40,909	2,763	-	598,676
Danielle Murrie Chief Marketing & Growth Officer	2023	399,201	168,307	-	67,864	2,760	-	638,132
	2022	178,994	67,086	-	30,429	224	-	276,733
John Pearce Chief Investment Officer ⁸	2023	652,628	947,813	-	97,372	33,640	-	1,731,453
	2022	641,329	824,674	-	109,026	30,573	-	1,605,602
Andrew Raftis Chief Risk Officer	2023	372,008	120,017	-	63,241	5,251	-	560,517
	2022	316,502	111,555	-	53,805	4,950	-	486,812
Julie Watkins Chief People Officer	2023	356,532	140,800	-	60,610	19,723	-	577,665
	2022	324,970	128,155	-	55,245	14,123	-	522,493
Siva Sivakumaran Strategic Adviser to CEO (from 1 July 2022)	2023	330,468	131,546	-	34,705	9,756	-	506,475
	2022	-	-	-	-	-	-	-
Lee Scales Chief Customer Officer (to 30 November 2021)	2023	-	-	-	-	-	-	-
	2022	146,046	43,460	-	34,105	-	547,400	771,011
Anand Thomas Chief Strategy & Marketing Officer (to 30 November 2021)	2023	-	-	-	-	-	-	-
	2022	140,861	58,645	-	37,359	-	186,087	422,952
TOTAL	2023	4,030,135	2,201,052	73,066	575,104	89,453	-	6,968,810
	2022	3,080,645	1,691,176	77,922	575,224	53,649	1,199,982	6,678,598

¹ The above table includes permanent appointments only.

² This relates to contractual obligations paid to Executives in certain circumstances on departure.

³ Cash salary includes the total cost of salary including annual leave accrual and any salary sacrificed benefits.

⁴ The Cash STI incentive applicable to each financial year is reviewed by the USM People and Remuneration Committee and approved by the USM Board post 30 June and paid in September, subsequent to the end of the financial year.

⁵ 50% will vest in Y2 and remainder will vest in Y3 based on successful completion of agreed performance targets.

⁶ This includes the net of long service leave entitlements accrued/paid during the year calculated under the relevant accounting standard and in some cases entitlements have not yet vested with the Executive.

⁷ Cash incentive amount for CEO in FY22 was reclassified to exclude deferred component.

⁸ This Executive is entitled to an additional two weeks annual leave.

REMUNERATION REPORT**Summary of Executives annual incentive payments:**

EXECUTIVES	YEAR¹	INCENTIVE POTENTIAL (ON TARGET) (%)	INCENTIVE POTENTIAL (MAXIMUM) (%)	FIXED REM (\$)	INCENTIVE (\$)	DEFERRED INCENTIVE (\$)
Peter Chun	2023	35	50	880,308	292,262	73,066
	2022	35	50	842,400	311,688	77,922
Anastasia Crisafi	2023	25	40	400,000	124,660	-
	2022	-	-	-	-	-
Danielle Mair	2023	25	40	425,000	137,976	-
	2022	-	-	-	-	-
Steven McGregor	2023	25	40	465,000	137,671	-
	2022	25	40	450,000	145,913	-
Danielle Murrie	2023	25	40	467,000	168,307	-
	2022	25	40	450,000	67,086	-
John Pearce	2023	-	150	750,000	947,813	-
	2022	-	150	750,000	824,674	-
Andrew Raftis	2023	25	40	435,000	120,017	-
	2022	25	40	370,000	111,555	-
Julie Watkins	2023	25	40	417,000	140,800	-
	2022	25	40	380,000	128,155	-
Siva Sivakumaran	2023	25	40	365,000	131,546	-
	2022	-	-	-	-	-

¹ The incentives applicable to the 2023 financial year were reviewed by the People and Remuneration Committee and approved by the USM Board post 30 June and paid in September, subsequent to the end of the financial year.

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