



Super Directions Fund Remuneration disclosures

For the period 1 January 2018 to 31 December 2018 and
1 January 2019 to 31 December 2019

1. Basis of preparation

This document sets out the remuneration of relevant executive officers of the Super Directions Fund (SDF). N.M. Superannuation Proprietary Limited (NM Super) (ABN 31 008 428 322) is the trustee of the SDF. The information provided has been prepared in accordance with the requirements of 29QB (1) (a) of *Superannuation Industry (Supervision) Act 1993* and *Regulation 2.37 Superannuation Industry Superannuation Regulation 1994*.

The SDF's executive officers include non-executive directors and executive directors of NM Super and the Superannuation Trustee Executive. Executive officer remuneration, disclosed in this document, reflects the proportion of remuneration based on a reasonable estimate of the time committed to the SDF.

The executive officers of the SDF for 2018 and 2019 are:

Table A: SDF executive officers (2018 and 2019)

Name	Position	Date began holding the position	Date retired from the position
Rick Allert ¹	Chairman	14 June 2016	9 May 2019
Tony Brain ²	Interim Chairman	9 May 2019	
Sarah Brennan	Non-executive director	1 November 2019	
Michele Dolin	Non-executive director	1 April 2012	1 April 2018
Cathy Doyle	Non-executive director	4 October 2018	11 July 2019
Louise Dudley	Non-executive director	14 June 2016	14 June 2019
Kerrie Howard	Non-executive director	1 November 2019	
Darryl Mackay	Non-executive director	1 July 2013	
Catherine McDowell	Non-executive director	11 July 2019	
Stephen Roberts	Non-executive director	11 July 2019	
Paul Scully	Non-executive director	1 November 2019	
Brian Salter	Executive director	27 March 2012	30 April 2018
Rachel Sansom	Director, Regulatory Governance	26 October 2015	23 May 2019
Sharon Suan ³	Superannuation Trustee Executive	23 May 2019	

¹ Prior to being appointed Chairman on 14 June 2016, Rick Allert held the position of non-executive director from 4 December 2015 to 14 June 2016.

² Prior to being appointed Interim Chairman on 9 May 2019, Tony Brain held the position of non-executive director from 27 September 2018 to 9 May 2019.

³ Sharon Suan was appointed Acting Director, Regulatory Governance on 23 May 2019, followed by appointment to the role of Superannuation Trustee Executive in an acting capacity on 27 June 2019 and subsequent appointment on a permanent basis effective 1 January 2020.

2. Executive officer remuneration structures

2.1 Non-executive directors

Non-executive directors (NEDs) are remunerated in accordance with AMP's remuneration policies and practices. Non-executive directors' fees are subject to approval by the AMP Limited Board, following a recommendation by the AMP Limited Remuneration Committee. Factors taken into consideration when setting non-executive director fees include the level of fees paid to board members of other Australian corporations, the complexity of operations and the responsibilities and workload requirements of board members.

Non-executive director remuneration comprises board and committee fees and include superannuation entitlements.

Board and committee fees

Non-executive directors are paid a single fee in their capacity as directors of the AMP Superannuation Limited (ASL) (ABN 31 008 414 104) and N.M. Superannuation Proprietary Limited (NM Super) (ABN 31 008 428 322) boards and in connection with the management of the SDF and other trusts (the other trusts are AMP Retirement Trust, AMP Eligible Rollover Fund, Superannuation Savings Trust, National Mutual Retirement Fund, National Mutual Pro-Super Fund and Wealth Personal Superannuation and Pension Fund).

The methodology for allocating a portion of ASL and NM Super Board, Board Audit Committee and Board Risk Committee fees to each trust considers the membership size in addition to the level of activity undertaken and the amount of assets in each trust.

For 2019, the portion of ASL and NM Super Board, Board Audit Committee and Board Risk Committee fees allocated to the SDF was 9%. The remaining fees are allocated to the other trusts managed by ASL and NM Super.

The table below sets out the total ASL and NM Super Board, Board Audit Committee and Board Risk Committee fees (including superannuation) per non-executive director, and the portion of ASL and NM Super Board, Board Audit Committee and Board Risk Committee fees per non-executive director which relate to the SDF for 2019 and 2018. The ASL Board Risk Committee and the NM Super Board Risk Committee commenced on 20 June 2019.

		2019 (1 November - 31 December)		2019 (1 January - 31 October)		2018	
		Chair	Member	Chair	Member	Chair	Member
Total	Board	\$190,000	\$125,000	\$105,000	\$72,000	\$81,200	\$62,000
	Board Audit Committee	\$20,000	\$15,000	\$16,900	\$11,200	\$16,900	\$11,200
	Board Risk Committee	\$20,000	\$15,000	\$16,900	\$11,200	N/A	N/A
SDF	Board	\$17,130	\$11,270	\$9,467	\$6,491	\$7,670	\$5,857
	Board Audit Committee	\$1,803	\$1,352	\$1,524	\$1,010	\$1,596	\$1,058
	Board Risk Committee	\$1,803	\$1,352	\$1,524	\$1,010	N/A	N/A

Effective 1 November 2019, the Board Chairman is paid a single fee covering all Board and Board Committee responsibilities.

The fee for the chairmanship of a Board Committee is payable if the chairman is a non-executive director other than the Board Chairman.

Special Payments

In 2019, a number of non-executive directors were paid for additional duties and time spent in regard of ASL and NM Super. These payments were in addition to the fees received in respect of Board and Board Committee duties.

Benefits

The following benefits were provided to non-executive directors in 2019:

- Each non-executive director received superannuation contributions totalling 9.5% of their board and committee fees. The figures shown above are inclusive of superannuation.

No retirement benefits are provided to non-executive directors.

2.2 Remuneration for other executive officers

Executive officers (who are not non-executive directors) are employees of the AMP group (AMP). AMP Limited's remuneration policy sets out the remuneration practices for the AMP group and applies to all AMP employees.

The following guiding principles form the framework within which all aspects of remuneration at AMP are managed:

Differentiate	Remuneration outcomes should differentiate for performance taking into account risk management and compliance with our policies.
Behaviour	Remuneration should drive behaviour that is legal, authorised, productive and reputable.
Clarity and consistency	Employees should have clarity around remuneration and remuneration arrangements should be applied consistently.
Governance	Remuneration arrangements should be supported by a proper system of internal controls, dealing with separation of roles, conflicts of interests, with appropriate checks and balances.
Judgement	The remuneration framework should allow executives to exercise independent judgement and discretion.
Reward	Reward people for their work on terms consistent with the markets in which they are employed.

Remuneration for AMP employees is comprised of fixed remuneration and variable remuneration as follows.

Fixed remuneration

Fixed remuneration includes base salary, superannuation, salary sacrificed benefits and fringe benefits tax thereon. Fixed remuneration for AMP employees is reviewed on an annual basis taking into account role responsibilities, skills, experience, qualifications and performance.

Variable remuneration

Variable remuneration is 'at risk' performance-based remuneration. The type of variable remuneration an employee is eligible for will depend on the role and seniority of the employee.

A revised incentive structure for executives was implemented in 2019, replacing the Executive Performance Incentive (EPI) Plan with a short-term (STI) and long-term incentive (LTI) structure.

During 2019, executive officers were eligible to participate in the STI plan with the following components:

- STI cash – an annual cash award based on individual, business unit and AMP performance against financial and non-financial measures, including risk management.
- STI deferral – for employees subject to regulatory requirements, a portion of the award may be deferred into AMP equity.

For 2019, 20% of an executive officer's STI award will be delivered in rights to AMP Limited shares and may vest after a two-year period, subject to ongoing employment, compliance with AMP policies and board discretion.

- LTI – select AMP employees are eligible to be considered for LTI awards. In 2019, LTI awards were delivered in the form of performance rights. Performance rights may vest subject to the performance hurdle being met at the end of the performance period, service conditions and board discretion.

For the 2019 award, vesting of the performance rights is dependent on the employee's continued service over a vesting period of three and a half years, a risk and conduct gateway and AMP's relative total shareholder return performance.

3. Remuneration disclosures

The following tables represent statutory remuneration disclosure information and have been prepared in accordance with Superannuation Industry (Supervision) Regulations 1994, Division 2.6 – Regulation 2.37.

As noted earlier, executive officer remuneration, disclosed in this document, reflects the proportion of remuneration based on a reasonable estimate of the time committed to the SDF.

Table B: Statutory remuneration disclosures

		Short-term employee benefits				Post-employment benefits		Long-term benefits	Share-based payments	Termination benefits	Grand total \$
		Cash salary, fees and short-term compensated absences \$	Short-term cash bonuses ¹ \$	Non-monetary benefits ² \$	Other short-term benefits ³ \$	Superannuation benefits \$	Other post-employment benefits ⁴ \$	Long service leave benefits ⁵ \$	Rights ⁶ \$	Cash payment \$	
Rick Allert ⁷	2019	5,311	-	-	-	505	-	-	-	-	5,816
Former non-executive chairman	2018	12,164	-	-	-	1,156	-	-	-	-	13,320
Tony Brain ⁹	2019	17,603	-	-	-	1,672	-	-	-	-	19,275
Non-executive chairman (interim)	2018	1,649	-	-	-	157	-	-	-	-	1,806
Sarah Brennan	2019	1,715	-	-	-	163	-	-	-	-	1,878
Non-executive director	2018	-	-	-	-	-	-	-	-	-	-
Michele Dolin	2019	-	-	-	-	-	-	-	-	-	-
Former non-executive director	2018	1,721	-	64	-	163	-	-	-	-	1,948
Cathy Doyle ⁸	2019	3,683	-	-	-	350	-	-	-	-	4,033
Former non-executive director	2018	1,562	-	-	-	148	-	-	-	-	1,710
Louise Dudley ⁸	2019	3,335	-	-	-	317	-	-	-	-	3,651
Former non-executive director	2018	6,682	-	-	-	635	-	-	-	-	7,317
Kerrie Howard	2019	1,715	-	-	-	163	-	-	-	-	1,878
Non-executive director	2018	-	-	-	-	-	-	-	-	-	-
Darryl Mackay ¹⁰	2019	13,381	-	-	-	1,271	-	-	-	-	14,652
Non-executive director	2018	6,315	-	-	-	600	-	-	-	-	6,915
Catherine McDowell ¹¹	2019	4,268	-	-	-	405	-	-	-	-	4,673
Non-executive director	2018	-	-	-	-	-	-	-	-	-	-
Stephen Roberts ¹²	2019	4,236	-	-	-	402	-	-	-	-	4,638
Non-executive director	2018	-	-	-	-	-	-	-	-	-	-
Paul Scully	2019	1,715	-	-	-	163	-	-	-	-	1,878
Non-executive director	2018	-	-	-	-	-	-	-	-	-	-
Brian Salter	2019	-	-	-	-	-	-	-	-	-	-
Former executive director	2018	1,500	-	279	28	58	(30)	(3,975)	4,580	-	2,440
Rachel Sansom ¹³	2019	8,029	-	14	17	1,284	-	(747)	1,712	22,171	32,481
Former Director, Regulatory Governance	2018	20,874	10,187	39	547	1,661	(1,142)	4,997	-	-	37,163
Sharon Suan	2019	15,246	6,799	-	(129)	978	-	549	567	-	24,010
Superannuation Trustee Executive	2018	-	-	-	-	-	-	-	-	-	-

- ¹ Short-term cash bonus values represent the cash component of any variable remuneration award calculated based on performance from 1 January to 31 December of the relevant year and paid to employees in March the following year. The cash amount is based on individual, business unit and company performance against a number of financial and non-financial measures.
- ² Non-monetary benefit relates to FBT items.
- ³ Other short-term benefits include the net change in annual leave accrued.
- ⁴ No other post-employment benefits were made to executive officers during 2019 and 2018.
- ⁵ Long service leave benefits represent net change in long service leave accrued.
- ⁶ Amounts reflect the accounting expense on a fair value basis for unvested equity awards including adjustment made on cessation of employment.
- ⁷ Rick Allert was paid a special payment of \$23,275 (2018: \$48,600) for additional duties and time spent in regard of ASL and NM Super.
- ⁸ No termination benefits were paid to Rick Allert, Cathy Doyle or Louise Dudley on retirement.

- ⁹ Tony Brain was paid two special payments totalling \$91,794 for additional duties and time spent in regard of ASL and NM Super. An additional special payment of \$9,263 relating to 2019 was paid in 2020 and is not reflected in the figures disclosed above as it had not been confirmed by 31 December 2019. Any further time spent in this regard will be covered by a fixed fee payable upon completion of these additional duties.
- ¹⁰ Darryl Mackay was paid two special payments totalling \$60,244 for additional duties and time spent in regard of ASL and NM Super. An additional special payment of \$6,581 relating to 2019 was paid in 2020 and is not reflected in the figures disclosed above as it had not been confirmed by 31 December 2019. Any further time spent in this regard will be covered by a fixed fee payable upon completion of these additional duties.
- ¹¹ Catherine McDowell was paid a special payment of \$6,244 for additional duties and time spent in regard of ASL and NM Super. This special payment relating to 2019 was paid in 2020 and is not reflected in the figures disclosed above as it had not been confirmed by 31 December 2019. Any further time spent in this regard will be covered by a fixed fee payable upon completion of these additional duties.
- ¹² Stephen Roberts was paid a special payment of \$9,281 for additional duties and time spent in regard of ASL and NM Super. This special payment relating to 2019 was paid in 2020 and is not reflected in the figures disclosed above as it had not been confirmed by 31 December 2019. Any further time spent in this regard will be covered by a fixed fee payable upon completion of these additional duties.
- ¹³ Rachel Sansom was paid termination benefits including payment for severance, payment in lieu of notice period and other benefits required by law upon cessation of employment.

Table C: Movement in equity-settled instruments during the year

Name	Type of equity instrument	<u>Granted</u>		<u>Vested</u>		<u>Exercised</u>		<u>Forfeited/Lapsed</u>	
		Number of units	Value \$	Number of units	Value \$	Number of units	Value \$	Number of units	Value \$
Rachel Sansom	Performance rights	-	-	-	-	-	-	823	1,793
	Share rights	-	-	823	1,482	823	1,482	-	-
	Restricted shares	928	2,182	418	763	-	-	-	-
Sharon Suan	Performance rights	-	-	-	-	-	-	-	-
	Share rights	-	-	267	619	267	619	-	-
	Restricted shares	38	90	-	-	-	-	-	-

Table D: Fair value of equity grants made during the year

Equity instrument	Performance hurdle	Grant date	Vesting date	Expiry date	Fair value ¹ per instrument
2018 Executive Performance Incentive (EPI)		17 May 2019	15 Feb 2023	n/a	\$2.20
2019 LTI		12 Sep 2019	15 Feb 2023	n/a	\$1.21

¹ The fair value has been calculated as at the grant date by external consultants, using a discounted cash flow methodology. Fair value has been discounted for the present value of dividends expected to be paid during the vesting period to which the participant is not entitled.