



Board Remuneration and Expenses Policy

SEC is committed to ensuring that the remuneration of the board is transparent, fair and reasonable, and supports the attraction, retention and motivation of high calibre directors to achieve the SEC's business objectives.

1. Purpose

- 1.1. This policy provides the framework for setting and reviewing SEC board directors' remuneration and expenses arrangements.

2. Scope

- 2.1. This policy applies to all non-executive directors (directors) serving on the SEC Board, SEC subsidiary boards, and SEC board-established committees.

3. Principles

- 3.1. Director remuneration and expenses will:
- be consistent with the Premier's Appointment and Remuneration Guidelines (the Guidelines);
 - support the attraction, retention and engagement of high calibre directors;
 - appropriately reflect the demands of the role, market conditions and organisational context;
 - be aligned with the company's values and culture.

4. Board remuneration

- 4.1. Remuneration of the SEC's non-executive directors (directors) is governed by the Premier's Appointment and Remuneration Guidelines (the Guidelines).
- 4.2. For the purposes of Board remuneration, the SEC is categorised as a Group A, Band 1 organisation. Remuneration scales for directors of Group A entities are set out in the Guidelines, with separate fee scales for Chairs and directors.
- 4.3. The Minister for the SEC is responsible for setting the proposed remuneration for SEC directors, taking into account the nature of the work, the degree of accountability and responsibility, and the skills and experience of the director. The proposed remuneration must then be approved by Cabinet.
- 4.4. Remuneration paid to directors will cover their role on the Boards of all SEC group entities, including SEC Victoria and any of its subsidiaries, and is a fixed fee regardless of the number of meetings held.
- 4.5. Under the Guidelines an organisation may pay additional fees to compensate a director appointed as Chair to a board committee, to reflect the additional time commitment and skills required to acquit this role. Any additional remuneration proposed must be approved by the Minister for the SEC.
- 4.6. Directors are remunerated on an annual fee basis, which is paid fortnightly in line with SEC employee payments or according to each director's preference.
- 4.7. Superannuation is generally payable on director fees. To the extent that director has an aggregate remuneration across all their roles (including the SEC Board) that exceeds the superannuation guarantee cap amount, and if they provide the SEC with an exemption certificate, an amount equivalent to the minimum superannuation contribution will be instead paid as ordinary remuneration so they are not disadvantaged.
- 4.8. Under the Guidelines, remuneration may be subject to an annual adjustment determined by the government for each financial year. Ministers may review the remuneration (and committee fees, where applicable) paid to boards and committees with a view to passing on the adjustment in full or in part.

5. Reimbursement of expenses

- 5.1. In addition to remuneration fees, directors are entitled to be reimbursed for all reasonable expenses (including travel, meals and accommodation) directly incurred as a result of attending board meetings or undertaking activities as a requirement of their role.
- 5.2. Additionally, directors may seek reimbursement of expenses related to director development or fees for memberships required for their SEC director role, with the prior approval of the Chair or Company Secretary.
- 5.3. Reimbursable expenses must be:
 - for the benefit of the SEC;
 - appropriate, reasonable, and ensure value for money;
 - be consistent with any SEC staff expenses policy.
- 5.4. Where an expense is to the benefit of more than one organisation, a split reimbursement across both organisations may be considered.
- 5.5. Any expenses claimed must be submitted using the SEC expenses claim form (signed by the Chair or Company Secretary) and accompanied by all relevant receipts. For integrity purposes, it is not appropriate for the Chief Executive Officer to sign off on any board member's expenses.
- 5.6. Expenses are paid in the next available pay cycle, and in the same transaction as Board fees.

6. Public sector directors

- 6.1. Public servants appointed to the SEC board will not be eligible for remuneration under the Guidelines, however they may still claim expenses directly incurred as a result of attending board meetings.

7. Key related policy, legislation and other documents

- Appointment and Remuneration Guidelines
- Individual directors' letters of appointment

8. Approval and review

Policy name	Board remuneration and expenses policy
Approved by	SEC Board
Policy owner	Legal and Governance
Contact	Assistant Company Secretary and Governance Lead
Date issued	26/09/2024
Last review date	19/06/2024
Review frequency	At least every 12 months
Replaces	Nil – new policy