MyState LIMITED
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Our Ref: PV:ab

16 February 2010

Australian Stock Exchange
Company Announcements Platform

Dear Sir

MyState Limited (MYS)
Remuneration Report – Tasmanian Perpetual Trustees Limited

MyState Limited acquired Tasmanian Perpetual Trustees Limited (TPX) in September 2009 under the terms of the recent merger with MyState Financial Limited. TPX has historically prepared remuneration reports due to its former public listed company status. The Remuneration Report for the year ended 30 June 2009 has been prepared but is not required to be placed before shareholders of MyState Limited for a vote on its adoption as all shares in that Company are now owned by MyState Limited and the Company was de-listed under the terms of the recent merger.

Notwithstanding these matters, in the interests of disclosure to shareholders, a copy of the TPX Board approved and audited Remuneration Report (refer attached) has been placed on the ASX Announcements Platform against Company name MyState Limited.

Full details regarding this Remuneration Report and also the Remuneration Report for MyState Limited are contained in the Explanatory Memorandum to the Notice of Annual General Meeting lodged on the ASX Announcements Platform on 15 February 2010.

Yours faithfully

Paul Viney
Company Secretary

Wise Lord & Ferguson

advice to advantage

Addendum to the Independent auditor's report to the members of Tasmanian Perpetual Trustees Ltd

Report on the Remuneration Report

This report should be considered with and in addition to the Independent auditor's report to the members of Tasmanian Perpetual Trustees Ltd

We have audited the attached Remuneration Report of Tasmanian Perpetual Trustees Ltd for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's Opinion
In our opinion the Remuneration of Tasmanian Perpetual Trustees Ltd for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

J Doyle

J DOYLE
Partner
WISE LORD & FERGUSON
Hobart
Dated: 15th February 2010.

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Tasmanian Perpetual Trustees Limited ABN 97 009 475 629
Remuneration Report for year ended 30 June 2009 - audited

This Remuneration Report outlines the Director and Executive remuneration arrangements of Tasmanian Perpetual Trustees Limited (Company) in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) is defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company and includes the five executives of the Company receiving the highest remuneration.

Details of key management personnel
The key management personnel of Tasmanian Perpetual Trustees Limited in office during the year were as follows:

Directors

M J Vertigan AC	Chairman (non-executive)
M E Scanlon	Managing Director (executive, resigned 27 November 2009)
N L d'Antoine	Director (non-executive)
D Bugg AM,QC	Director (non-executive resigned 8 September 2009)
C A Eastaugh	Director (non-executive resigned 8 September 2009)
M L Hampton	Director (non-executive)
I G Mansbridge	Director (non-executive)
S Merridew	Director (non-executive)

Executives

D E Benbow	General Manager – Distribution
C L Kent	General Manager – Marketing
T P Burke	General Manager – Distribution (resigned 30 June 2008)
R W Colbeck	Manager Financial Planning (resigned 21 January 2010)
P K M Viney	Chief Financial Officer and Company Secretary

Remuneration Policy

(i) Key Management Personnel Remuneration Policy

The primary responsibility of the Human Resources and Remuneration Committee (HRRC) of the Board of Directors of the Company is in recommending to the Board remuneration policy and arrangements for Directors, the Managing Director and other Executives, as well as the general remuneration practices of the Company, having regard to comparative remuneration in the financial services industry and independent advice.

To assist in achieving these objectives, the HRRC links the nature and amount of the Managing Director's and Executives' emoluments to the Company's financial and operational performance.

The remuneration of the Managing Director and Executives is comprised of three components, being the fixed annual remuneration (FAR), short term incentive (STI) and executive long term incentive plan (ELTIP).

(ii) The FAR is paid by way of cash salary, superannuation and fringe benefits and is reviewed annually by the HRRC. In addition, external consultants provide analysis and advice to ensure Directors and Executives' remuneration is competitive in the marketplace.

(iii) The STI is calculated as a percentage of the FAR and is payable annually in respect of each financial year as cash and/or superannuation contributions. The following percentages are used: Managing Director up to 25%; other Executives up to 20%.

Payment is conditional upon the achievement of strategic, financial, organisational, operational and individual performance criteria during the financial year under review.

Each year the HRRC sets the Key Performance Indicators (KPIs) for the Managing Director. The KPIs for the Executives are set each year by the Managing Director. The KPIs generally include measures relating to the Company and the individual and include financial, strategic, operational and customer/stakeholder measures. The measures are chosen and weighted as they directly align the individual's reward to the KPIs of the Company and to the Company's strategy and performance.

The financial performance objectives are profit before income tax compared to budgeted amounts and earnings per share. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, customer satisfaction and staff development.

At the end of the financial year the Chairman assesses the actual performance of the Company and of the Managing Director against the KPIs set at the beginning of the financial year. Based upon that assessment, a recommendation is made to the HRRC as to the STI payment.

At the end of the financial year the Managing Director assesses the actual performance of the Company and the Executives against their KPIs set at the beginning of the financial year. Based upon that assessment a recommendation is made to the HRRC as to the STI payment.

The HRRC recommends the STI payments to be made to the Managing Director and Executives for approval by the Board.

The ELTIP was established by the Board to encourage the executive management team, comprising the Managing Director, General Managers and Chief Financial Officer, to have a greater involvement in the achievement of the Company's objectives. To achieve this aim, the ELTIP provides for the issue to the executive management team of fully paid ordinary shares in the Company if performance criteria specified by the Board are satisfied in a set performance period.

Under the ELTIP an offer may be made to the members of the executive management team every year as determined by the Board. The maximum value of the offer is determined as a percentage of the FAR of each member of the executive management team. The percentages used are 30% for the Managing Director and 15% for the General Managers and Chief Financial Officer. The value of the offer is converted into fully paid ordinary shares based upon the weighted average price of the Company's shares over the twenty trading days prior to the offer date.

In order for the shares to vest in each eligible member of the executive management team, certain performance criteria must be satisfied within a predetermined performance period. Both the performance criteria and the performance period are set by the Board at its absolute discretion. The Board has for the time being set the three financial years commencing with the year in which an offer is made under the plan as the performance period, with cumulative earnings per share (EPS) over the relevant performance period as the performance criteria. A threshold EPS performance target and a maximum EPS performance target are set by the Board. Where the maximum EPS target is satisfied, the full number of shares will vest with each eligible member of the executive management team. If the threshold EPS target is not satisfied then there is no requirement to vest. Should the actual EPS be between the threshold EPS target and the maximum EPS target then a proportionate number of shares will be vested.

The ELTIP provides for an independent Trustee to acquire and hold shares. The Trustee is funded by the Company to acquire shares, as directed by the Board, either by way of purchase from other shareholders on market, or issue by the Company. At the completion of each performance period, the Trustee will allocate shares to each member of the executive management team in accordance with their entitlement under the ELTIP. Any shares to be allocated to the Managing Director under this Plan require shareholder approval. The Trustee will hold the shares which have been allocated on behalf of the executive management team member. The executive management team member cannot transfer or dispose of shares which have been allocated to them until the earlier of the tenth anniversary of the original offer date of the grant; leaving the employment of the Company; the Board giving permission for a transfer or sale to occur; or a specified event occurring (change in control of the Company). All shares held by the Trustee, whether allocated to an executive management team member or not, carry full entitlements to dividends and voting rights.

During the period that allocated shares are held by the Trustee, the executive management team member is entitled to receive the income arising from dividend payments on those shares and to have the Trustee exercise the voting rights on those shares in accordance with their instructions.

Details of offers made under the ELTIP are as follows:

Date of offer ("Grant" date)	3 October 2005	2 October 2006	2 October 2007	2 October 2008
Performance period	Three years ending 30 June 2008	Three years ending 30 June 2009	Three years ending 30 June 2010	Three years ending 30 June 2011
Maximum number of shares that may be allocated under the offer	26,220	26,548	26,769	38,779
Value of the offer	$169,381	$175,217	$160,346	$169,464
Share price used in the calculations of the offer	$6.46	$6.60	$5.99	$4.37

During the year the Board determined that the proposed merger of the Company with MyState Financial Credit Union of Tasmania Limited (MSF) constituted a capital event under the rules of the ELTIP. The Board determined, in anticipation of the merger proceeding, that it should exercise its discretion under the rules of the ELTIP to fully vest immediately all shares granted under current offers to the executive management team. Shares granted to the Managing Director which prior to vesting would have required shareholder approval, pursuant to Australian Securities Exchange listing rules, were not vested.

The shares that were vested as consequence of this decision are as follows:

	Total	Original Performance period		
		Three years ending 30 June 2009	Three years ending 30 June 2010	Three years ending 30 June 2011
M E Scanlon	12,500	12,500	-	-
D E Benbow	12,103	3,319	3,311	5,473
C L Kent	12,441	3,319	3,438	5,684
P K M Viney	15,335	4,091	4,238	7,006
	52,379	23,229	10,987	18,163

(iv) Terms of Employment

The Company's non-executive Directors receive only fees (including superannuation) for their services. They are not entitled to receive any benefit on retirement or resignation (other than superannuation) and do not participate in any share based remuneration.

The Managing Director is employed under an individual contract of employment. The contract has no fixed date of expiry. The contract may be terminated by the Company or the Managing Director with the giving of sixty days' notice. In the event of serious breach of duty, grave misconduct or permanent incapacity, the Company can terminate the contract immediately. In the event of the contract being terminated by the Company for a reason other than serious breach of duty or grave misconduct, or by the Managing Director for good reason, an amount is payable to the Managing Director comprising payment for the period of notice, a "termination payment" and the pro-rata value of the STI for the year in which the termination takes effect. In addition, the Managing Director is entitled to receive under any current offers made to him under the ELTIP, the number of shares to which he would be entitled, calculated on a pro-rata basis to the date of termination. The amount of any termination payment is 12 months of the Managing Director's FAR. In the event that the contract of employment is terminated due to the disability or death of the Managing Director, the Company must pay the benefits described above in respect of the pro-rata entitlements to the STI and ELTIP.

As disclosed in the Tasmanian Perpetual Trustees Limited (TPX) Explanatory Booklet dated 29 June 2009 the Managing Director has been offered an incentive arrangement in connection with the TPX Scheme as follows:

(a) **Performance** a payment of up to 20% of the base annual remuneration for the Managing Directors contribution to the transaction process and its outcome to be determined by the TPX Directors (excluding the Managing Director) based upon an agreed set of criteria; and

(b) **Retention** a payment of 50% of base remuneration if the Managing Director remains employed with TPX or its successors (including MyState Limited) until 31 December 2009 or such earlier date as the Managing Director agrees with TPX. This payment only applies if the Managing Director of TPX is not appointed as managing Director of MyState Limited.

The Managing Director ceased employment with the Company on the 27 November 2009 as was advised to the Australian Securities Exchange. Details of final termination payments will be disclosed in the MyState Limited financial statements for 2010.

The Chief Financial Officer and General Manager – Marketing and General Manager Distribution are employed under individual contracts of employment. The 3 year contract for the Chief Financial Officer expires on the 21 July 2011, the 3 year contract for the General Manager Marketing expires on the 14 April 2011 and the 3 year contract for the General Manager Distribution expires on the 1 July 2010. At the expiration of the contracts, no compensation additional to the components described above is payable to the employee, other than the value of their accrued leave entitlements.

The contracts may be terminated by the Company or employee with the giving of one month's notice. In the event of the contract being terminated by the Company for a reason other than serious breach of duty or permanent incapacity, an amount is payable to the employee being the greater of the value of the compensation package and benefits for the unexpired portion of the contract or, the value of one year of the compensation package and benefits under the contract.

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Remuneration of Key Management Personnel

		Salary & Fees	Cash Bonus (1), (2)	Non Monetary benefits	Post Employment		Share Based Payment (1)	Total
					Superannuation	Retirement Benefits		
Non Executive Directors		$	$	$	$	$	$	$
M J Vertigan AC	**2009**	**98,929**			**8,904**			**107,833**
	2008	93,999	-	-	8,459	-	-	102,458
N L d'Antoine	**2009**	**17,384**	-	-	**58,409**			**75,793**
	2008	-	-	-	71,891	-	-	71,891
D Bugg AM,QC	**2009**	-	-	-	**53,326**	-	-	**53,326**
	2008	7,364	-	-	11,563			18,927
C A Eastaugh	**2009**		-	-	**55,921**			**55,921**
	2008	12,372	-	-	42,864	-	-	55,236
M L Hampton	**2009**	**72,589**	-	-	**11,983**	-	-	**84,572**
	2008	38,461	-	-	16,946	-	-	55,407
I G Mansbridge	**2009**	**37,528**	-	-	**17,185**	-	-	**54,713**
	2008	33,892	-	-	14,770	-	-	48,662
S Merridew	**2009**	**23,603**	-	-	**67,584**			**91,187**
	2008	-	-	-	59,672	-	-	59,672
V R Smith	**2009**	-	-	-	-	-	-	-
	2008	4,174	-	-	41,310	-	-	45,484
Sub Total Non Executive Directors' Remuneration:	**2009**	**250,033**	-	-	**273,312**			**523,345**
	2008	190,262	- -	- -	267,475	- -	- -	457,737

Note: Total Non-Executive Directors' Remuneration includes payments made to Mr d'Antoine and Mrs Merridew in their roles as Chairman and Director of Tasmanian Banking Services Limited respectively. These amounts are paid pursuant to Clause 13.4 of the Constitution and do not form part of Remuneration of Directors fixed by the Company in General Meeting.

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		Salary & Fees	Cash Bonus (2),(3)	Non Monetary benefits	Post Employment		Share Based payment (1)	Total
					Superannuation	Retire-ment benefits		
Executive Director		$	$	$	$	$	$	$
M E Scanlon	**2009**	**240,511**	**85,654**	**7,860**	**43,318**		**72,696**	**450,039**
	2008	227,693	74,115	7,754	41,958	-	92,438	443,958
Executives								
D E Benbow	**2009**	**119,612**	**29,657**	**21,559**	**19,200**	**-**	**38,604**	**228,632**
	2008	99,737	25,987	16,459	36,608	-	24,299	203,090
T P Burke	2009							
	2008	114,508	(7,306)	15,565	18,066	-	5,009	145,842
C L Kent	**2009**	**134,842**	**30,974**	**7,123**	**13,657**	**-**	**39,828**	**226,424**
	2008	130,381	27,151	9,058	11,734	-	24,551	202,875
P K M Viney	**2009**	**193,008**	**40,085**	**-**	**16,836**	**-**	**49,104**	**299,033**
	2008	178,095	35,280	-	16,029	-	29,582	258,986
R W Colbeck (4)	**2009**	**114,969**	**15,000**	**-**	**11,787**	**-**	**-**	**141,756**
	2008	108,036	9,429	-	10,942	-	-	128,407
Sub Total Executive	**2009**	**802,942**	**201,370**	**36,542**	**104,798**	**-**	**200,232**	**1,345,884**
Remuneration:	2008	858,450	164,656	48,836	135,337	-	175,879	1,383,158
Total	**2009**	**1,052,975**	**201,370**	**36,542**	**378,110**	**-**	**200,232**	**1,869,229**
	2008	1,048,712	164,656	48,836	402,812	-	175,879	1,840,895

(1) These amounts are estimates of remuneration and will only vest to the Managing Director or Executive when certain performance criteria are met, The fair value of shares is calculated at the date of grant and is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the shares allocated to this reporting period. The conditions that must be satisfied in order for the shares to vest do not include any market conditions. As these figures are accrual accounting based and not a reflection of actual cash paid, negative figures can result in the event of accrual reversals being recorded.

(2) The maximum amount has been accrued on the basis that it is probable that the executive management team will meet their respective KPIs for the period. Any adjustments between the actual amounts to be paid as determined by the HRRC and the amounts accrued will be adjusted and disclosed in the MyState Limited statements for 2010.

(3) Short term incentives paid during the reporting period in respect of the 2008 financial year were $81,364 (5% forfeited) for M E Scanlon; $28,139 (12% forfeited) for D E Benbow; $29,393 (7% forfeited) for C L Kent and $38,141 (2% forfeited) for P K M Viney.

(4) R W Colbeck was a senior company executive as defined under the Corporations Act Section 300A (ceased employment 21 January 2010) and his remuneration requires disclosure. He was the Manager Financial Planning and was employed under the Company's Enterprise Agreement.

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Consequences of performance on shareholder wealth

In considering the consolidated entity's performance and benefits for shareholder wealth, the HRRC has regard to the following indices in respect of the current financial year and the previous four financial years:

	2009	**2008**	**2007**	**2006 (a)**	**2005**
Profit after income tax	4,935,116	$7,035,582	$7,760,873	$7,526,418	$6,855,684
Earnings per share	22.64 cents	32.28 cents	35.67 cents	34.69 cents	31.63 cents
Dividends paid	6,442,925	$6,977,792	$6,748,022	$6,682,135	$3,736,242
Change in share price	-48%	-17%	15%	0%	73%
Return of capital	nil	nil	nil	nil	Nil

(a) The dividends paid for 2006 include a special dividend of $607,329.

Profit after income tax, dividends paid and the change in earnings per share are the financial performance indicators considered in the STI review. The earnings per share calculation used in the ELTIP also takes into account the Company's profit after income tax. The change in the share price and the increase in the dividends paid reflect the financial performance of the Company. The HRRC considers that the above performance-linked compensation structure is generating the desired outcomes. The evidence for this is the growth in profits in recent years.