

REMUNERATION DISCLOSURE

APS330 Attachment E

a. Overview

Queensland Country Credit Union Limited ('Credit Union') has a Remuneration Committee, comprising four non-executive directors with the following responsibilities:

- provide recommendations to the Board on the performance and remuneration of the Chief Executive Officer ('CEO'), senior managers reporting directly to the CEO (excluding administrative direct reports), the Chief Financial Officer, General Manager Risk and other members of the management team the Committee determines should be subject to its supervision;
- provide recommendations to Board on the remuneration of non-executive Directors and advice on remuneration strategies, practices and disclosures. Total remuneration of Directors must be approved by Members in general meeting each year before payments can be distributed.

In determining remuneration, the Committee used the following information supplied through the remuneration surveys issued by McGuirk Management Consultants Pty Ltd:

- industry comparative remuneration data across all positions, including Directors;
- remuneration benchmarking of all roles covered by the Remuneration Policy.

The Remuneration Policy covers the entire organisation and there is no foreign element.

The management team comprises:

Title	Description	Number
Senior managers	All Executives across operations, finance, lending, risk and compliance	10
Material risk-takers	Persons subject to bonus or performance-based remuneration	Nil

b. Remuneration Policy

The Remuneration Policy was established to provide clear direction regarding the remuneration of non-executive Directors and senior managers of the Credit Union and how to ensure the organisation continues to attract and retain capable and motivated managers whilst driving successful performance, minimising risk and maintaining independence of Risk and Financial Control personnel.

The policy is reviewed at least every three years and was last reviewed 13 November 2014.

The remuneration of all Risk and Financial Control personnel is determined by the Remuneration Committee.

c. Risk Considerations and Remuneration

The Remuneration Committee considers a range of financial and non-financial measures in determining remuneration. These include performance achieved compared to the

Annual Budget and Business Plans; a range of Key Performance Indicators (KPIs) that are set on an annual basis; Credit, Market, Operational, Liquidity and Strategic risks; compliance with legal, statutory and other requirements; and the General Risk Management framework.

KPIs determine the level of any general performance bonus paid, subject to achieving minimum threshold Return on Asset levels, and subject to the discretion of the Board. Individual performance is a consideration in determining the level of remuneration as is the market band for each position. There has been no change to these arrangements over the past year.

d. Performance-based Incentives

The performance-based components of remuneration are designed to align remuneration with prudent risk-taking and allow for adjustments to reflect:

- outcomes of business activities
- risks related to the business activities
- time necessary for the outcomes of those business activities to be reliably measured.

Payment of the performance-based component is at the discretion of the Board and is contingent on achieving agreed performance standards or financial benchmarks set at the start of the financial year.

e. Deferred Remuneration

The Credit Union has no deferred remuneration arrangements.

f. Variable Remuneration

Variable remuneration may consist of a performance bonus to a maximum of 10% of Fixed Remuneration. Any performance bonus is paid in cash. Performance bonuses are determined based on individual performance and paid at the discretion of the Board.

Quantitative Disclosures

g	• Number of meetings held by Remuneration Committee during the financial year. <i>NOTE: No additional remuneration is paid to Committee members.</i>	4
h	In respect to all persons covered by the Remuneration Policy:	
	• Number of variable remuneration payments during the financial year	Nil
	• Number and total amount of guaranteed bonuses awarded during the financial year.	Nil
	• Number and total amount of sign-on awards made during the financial year.	Nil
	• Number and total amount of severance payments made during the financial year.	Nil
i	• Total amount of outstanding deferred remuneration	Nil
	• Total amount of deferred remuneration paid out in the financial year	Nil

j. Remuneration

Table 18A – Total Value of remuneration for senior managers and material risk takers

Senior Managers

Number of managers	10
Total value of remuneration awards for the financial year ended 30 June 2015	
<i>Fixed remuneration</i>	
▪ Cash-based	\$1,854,644
▪ Shares and share-linked instruments	Nil
▪ Other	Nil
<i>Variable remuneration</i>	
▪ Cash-based	Nil
▪ Shares and share-linked instruments	Nil
▪ Other	Nil

All remuneration arrangements are cash based and are not subject to fluctuations or adjustments. There are no deferred remuneration arrangements.

Material risk takers

There are no managers remunerated on a commission or incentive basis.