

## APS330 PUBLIC DISCLOSURE Attachment G, Remuneration

**Table 22 Qualitative Disclosures**

a. Queensland Country Credit Union Limited ('Credit Union') has a Remuneration & Governance Committee, comprising four non-executive directors and the Chair of the Committee being the Chair of the Board. The Board of Directors resolved to combine the Committee responsibilities of the Remuneration Committee and the Governance Committee at a meeting held on 20 April 2018. The purpose of the Remuneration & Governance Committee ("the Committee") includes assisting the Board of Directors in relation to performance and remuneration of the Credit Union's senior management, non-executive directors, and remuneration strategies, practices and disclosures generally. Total remuneration of Directors must be approved by Members in general meeting each year before payments can be distributed.

Since 1 July 2015, the Credit Union has developed and introduced a salary structure with the assistance of external consultants, BDO (Qld) Pty Ltd (BDO) which specialises in remuneration. The Credit Union's structure has pay grades or bands, each having a pay range which is based around competitive market positions for companies of our size. The median for each grade is set relative to the general market median and reflecting the regional location of our business. The work value of each position is assessed utilising a scoring tool comprising three factors: Knowledge and Skills, Complexity, and Accountability. Each position has been assigned to one of the pay grades based on the work value score. Salaries for individual roles may at times fall outside the salary range determined. The pay bands are assessed and updated annually by BDO factoring in Wage Price Index and Consumer Price Index fluctuations for the financial year.

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

The management team comprises:

<b>Title</b>	<b>Description</b>	<b>Number</b>
Senior managers	All Executives across operations, finance, lending, risk and compliance	Eight (8)
Material risk-takers	Persons subject to bonus or performance-based remuneration	Nil (0)

b. 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 on 19 July 2018, to reflect changes to roles and role titles following recent organisational restructuring. The remuneration of all Risk and Financial Control personnel is determined by the Remuneration Committee, to ensure that their remuneration is independent of any businesses they oversee.

c. 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. 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. The Credit Union has no deferred remuneration arrangements.

f. Variable remuneration may consist of a performance bonus to a maximum of 20% 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

<b>g</b>	Number of meetings held by Remuneration Committee during the financial year. <i>NOTE: No additional remuneration is paid to Committee members.</i>	Remuneration Committee, two (2) / combined Remuneration & Governance Committee, one (1)
<b>h</b>	In respect to all persons covered by the Remuneration Policy: <ul style="list-style-type: none"> <li>• Number of variable remuneration payments during the financial year</li> <li>• Number and total amount of guaranteed bonuses awarded during the financial year.</li> <li>• Number and total amount of sign-on awards made during the financial year.</li> <li>• Number and total amount of severance payments made during the financial year.</li> </ul>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>One (1) payment of \$ 130,495.34</p>
<b>i</b>	<ul style="list-style-type: none"> <li>• Total amount of outstanding deferred remuneration</li> <li>• Total amount of deferred remuneration paid out in the financial year</li> </ul>	<p>Nil</p> <p>Nil</p>

#### **j. Remuneration**

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

*Senior Managers*

<b>Number of managers</b>	Eight (8)
<b>Total value of remuneration awards for the financial year ended 30 June 2018</b>	
<i>Fixed remuneration</i>	
▪ Cash-based	\$1,568,212.32
▪ Shares and share-linked instruments	Nil
▪ Other	Nil
<i>Variable remuneration</i>	
▪ Cash-based	Nil
▪ Shares and share-linked instruments	Nil
▪ Other	\$ 130,495.34 (severance)

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.