

## APS330 Remuneration Disclosures for an ADI

Table A

Qualitative disclosures											
a)	Information relating to the bodies that oversee remuneration	<p>Qantas Credit Union (QCU) has established an Executive and Remuneration Committee (ERC) who:</p> <ol style="list-style-type: none"> <li>I. make annual recommendations to the Board on the remuneration of the CEO and CFO;</li> <li>II. approve annually the remuneration of all other managers;</li> <li>III. report management remuneration to the Board;</li> <li>IV. review and make recommendations to the Board on the Remuneration Policy.</li> </ol> <p>The ERC comprises 3 non-executive directors: the Chairman of the Board, the Deputy Chairman of the Board and the Chairman of the Risk Committee.</p> <p>The ERC may engage independent consultants to provide advice. In 2014 the ERC engaged Mercer (Australia) Pty Ltd (Mercer), Human Resource Consultants, to provide advice about remuneration for the CEO and management team.</p> <p>Senior managers and material risk takers include:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 50%;">Description</th> <th style="width: 20%;">Number</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Senior Managers</td> <td>                     Chief Executive Officer                      Chief Financial Officer                      Chief Risk Officer                      Company Secretary and General Counsel                      Executive Manager, Marketing                      Executive Manager, Retail Banking                      Internal Audit Manager                      Treasurer                      Information Systems Manager                      Manager Retail Banking                      Marketing and Communications Manager                      Manager Wealth Management                      Human Resources Manager                      Financial Controller                      Lending Manager                 </td> <td style="vertical-align: top; text-align: center;">15</td> </tr> <tr> <td style="vertical-align: top;">Material risk-taker</td> <td>Persons subject to bonus or performance based remuneration.</td> <td style="vertical-align: top; text-align: center;">0</td> </tr> </tbody> </table>		Description	Number	Senior Managers	Chief Executive Officer Chief Financial Officer Chief Risk Officer Company Secretary and General Counsel Executive Manager, Marketing Executive Manager, Retail Banking Internal Audit Manager Treasurer Information Systems Manager Manager Retail Banking Marketing and Communications Manager Manager Wealth Management Human Resources Manager Financial Controller Lending Manager	15	Material risk-taker	Persons subject to bonus or performance based remuneration.	0
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Material risk-taker	Persons subject to bonus or performance based remuneration.	0									

b)	Information relating to the design and structure of remuneration processes.	<p>QCU seeks to ensure that quality employees are employed, retained and remunerated in accordance with their responsibilities, skills and experience.</p> <p>The remuneration processes are designed to encourage behaviour that supports Qantas Credit Union's long-term financial soundness and risk management framework.</p> <p>QCU sets and reviews salaries having regard to market data (for which it seeks input from external remuneration consultants and applicable surveys) and may also pay variable performance based remuneration at its discretion.</p> <p>The Remuneration Policy is reviewed annually. The last review was in September 2014. The policy was updated to ensure it is compliant with both ASX corporate governance principles and recommendations (third edition) and the APRA prudential standards.</p> <p>Risk and financial control personnel are remunerated in a manner that does not compromise their independence in carrying out their roles. The performance based remuneration of these personnel is not determined by the managers, or the financial performance, of the business areas they monitor. Remuneration for risk and financial control managers is reported to the Board to allow the Board to satisfy itself that these remuneration arrangements are not contrary to the financial soundness of Qantas Credit Union.</p>
c)	Description of the ways to which current and future risks are taken into account in the remuneration processes.	<p>QCU's performance may be impacted by key risks identified by the Board, including credit risk, liquidity risk, operational risk and strategic risk. QCU manages key risks through its strategic and business unit plans, risk management framework, policies and procedures.</p> <p>QCU has adopted a performance based approach to remuneration designed to align remuneration with the Board's expectations and strategies detailed in the Strategic Plan, the risk appetite of the Board and adherence with the Credit Union's policies.</p> <p>There have been no changes to this process over the past year.</p>
d)	Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration.	<p>Performance is assessed against Key Performance Indicators (KPIs) and behavioural competencies (both core competencies common to all employees and role specific competencies).</p> <p>KPIs are set for each individual and are linked to business unit plans and the Strategic Plan. When setting KPIs, QCU will consider the level of risk to which QCU is exposed by an individual in performing their role.</p> <p>QCU does not pay any person a significant proportion of their remuneration by performance based remuneration, such as bonuses or commissions.</p>

		When setting remuneration, QCU will consider the appropriate balance between fixed salary and variable (performance based) components. Variable remuneration is payable at the discretion of QCU and may be reduced to zero in the event of poor performance.
e)	Description of the ways in which the ADI seeks to adjust remuneration to take account of longer-term performance.	There are no specific measures taken to reward longer term performance, however the Strategic Plan, to which KPIs are aligned, has a 3 year horizon and is reviewed annually. There is no deferred remuneration arranged with the managers other than the employee statutory entitlements and award conditions as amended.
f)	Description of the different forms of variable remuneration that the ADI utilises and the rationale for using these different forms.	There are no elements of variable remuneration at the credit union that are pre-determined. All variable remuneration is in the form of cash. Bonus arrangements are reviewed by the ERC and discussed at the board level to reward exceptional performance where applicable.

**Table B**

<b>Quantitative Disclosures</b>		
g)	Number of meetings held by the main body overseeing remuneration during the financial year and the remuneration paid to its members.	The remuneration committee has met 7 times in the past Year
h)	The number of employees having received a variable remuneration award during the financial year.	15
	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,(split into cash, shares and share-linked instruments and other forms.)	NIL
	Total amount of deferred remuneration paid out in the year	NIL

**Table C: Total Value of remuneration awards for senior managers**

Number of senior managers	15	
<b>Total value of remuneration awards for the current financial year</b>	<b>Unrestricted</b>	<b>Deferred</b>
Fixed Remuneration		
• Cash-based	\$3,012,167	Nil
• Shares and share-linked instruments	Nil	Nil
• Other	\$172,461	Nil
Variable remuneration		
• Cash-based	\$425,592	Nil
• Shares and share-linked instruments	Nil	Nil
• Other	Nil	Nil

**Table D: Total Value of remuneration awards for Material risk - takers**

Number of risk and compliance managers	0	
<b>Total value of remuneration awards for the current financial year</b>	<b>Unrestricted</b>	<b>Deferred</b>
Fixed Remuneration		
• Cash-based	Nil	Nil
• Shares and share-linked instruments	Nil	Nil
• Other	Nil	Nil
Variable remuneration		
• Cash-based	Nil	Nil
• Shares and share-linked instruments	Nil	Nil
• Other	Nil	Nil