

These disclosures have been prepared in accordance with the requirements of APS 330 Public Disclosure.

## **I. Qualitative Disclosures**

### **A. Board Nomination and Remuneration Committee**

The Board of Directors of Traditional Credit Union (the "Credit union") has established the Board Nomination and Remuneration Committee ("the Committee") to oversee the implementation of Remuneration Policy. The Remuneration Policy sets out Credit Union's objectives and policies in relation to remuneration arrangements, the structure of remuneration arrangements, who the Policy covers, and related matters.

The Committee comprises 3 members, of whom a majority of independent directors. Each member of the Committee will be appointed for an initial term of three years, or shorter if circumstances dictate.

The main remuneration responsibilities of the Committee are to :

- Make annual recommendations to the Board, consistent with the Remuneration Policy, on the remuneration of the designated categories of persons covered by the Remuneration Policy as set out in the section 2 below;
- Conduct regular reviews of, and make recommendations to the Board on, the Remuneration Policy;
- Undertake such other functions in relation to the remuneration arrangements of the Credit Union as the Board may from time-to-time delegate to the Committee; and
- Ensure the Committee has the necessary experience and expertise to undertake its responsibilities, including where required by supplementing its expertise with appropriate external advice.

During the year ended 30 June 2016, the Remuneration Committee held three meetings.

**B. Scope of Remuneration and Nomination Charter**

The scope of the Remuneration and Nomination Committee Charter provides for the Committee to assess and make recommendations on the remuneration arrangements for the following categories of employees;

- the Chief Executive Officer (CEO);
- direct reports of the CEO, excludes the administrative direct reports
- risk and financial control personnel
- any other person whose activities may in the Committee's opinion affect the financial soundness of the Credit Union; and
- any person specified by APRA

During the year ended 30 June 2016, the Board has delegated to the CEO the responsibility for determining the remuneration arrangements for the Credit Union's employees.

**C. Senior Managers & Material Risk-takers**

**(a) Responsible Persons**

The following Traditional Credit Union employees are classified as 'Senior Managers' under Credit Union's Fit and Proper Policy:

- Chief Executive Officer;
- General Manager;
- Business Development Manager
- Financial Accountant;
- HR & Training Manager; and
- IT Manager;

All responsible persons listed above are senior managers of the Credit Union. Senior Managers' remuneration consists of fixed components comprising a base salary and superannuation benefits.

**(b) Material Risk Takers**

Material risk taker includes any employee whom a significant component of remuneration is based on performance.

During the year ended 30 June 2016, there were no Credit Union's employees who received or had the potential to receive a significant portion of their total remuneration in the form of variable or performance-linked payments.

## **Remuneration Policy**

### ***Objectives***

The Remuneration Policy sets out the Credit Union's objectives and policies in relation to remuneration arrangements, the structure of remuneration arrangements, who the Policy covers, and related matters.

The main objectives of the Remuneration Policy are to"

- Attract and retain capable, motivated managers and staff; managers with strategic vision, able to drive growth while maintaining stability and financial soundness of institution;
- In relation to variable or performance-based components of remuneration, to encourage behaviour that supports TCU's long term financial soundness and risk management framework.
- Generally, to ensure TCU's remuneration arrangements are, and remain, compliant with corporate governance requirements, including requirements under CPS 510

### ***Remuneration Arrangements***

All directors of TCU are currently not remunerated for their services. The appropriateness of introducing fees for services will be reviewed during each year's budget setting cycle.

The Chief Executive Officer; Senior Managers; employees and directly retained contractors of TCU remuneration consists of fixed components comprising a base salary and superannuation benefits.

### ***Implementation and Review***

The Board, through the Committee, together with management of TCU, shall ensure the objectives and requirements of this Policy are implemented.

The Remuneration Policy is reviewed every year. Remuneration Policy was reviewed on 24 August 2015 with no changes made.

## **II. Quantitative Disclosures**

### **A. Decision Making Body**

The Board of Directors is the main body responsible for overseeing remuneration matters in accordance with the Remuneration Policy. The Remuneration Committee is responsible for making recommendations to the Board in accordance with the parameters and procedures set out in its Charter and the Remuneration Policy.

During the financial year ended 30 June 2016, the Board held 5 meetings and the Remuneration and Nomination Committee held 1 meeting.

All directors of TCU are currently not remunerated for their services. The appropriateness of introducing fees for services will be reviewed during each year's budget setting cycle.

## B. Senior Managers

Table below includes, with respect to all employees who are classified as 'Senior Managers' under the Remuneration Policy, the information that is required to be disclosed under APS330.

All Senior Managers		No. of Managers	Total \$ 2016
Fixed Remuneration			
	Senior managers having received a cash based fixed remuneration	6	\$668,098
	Senior managers having received shares and share-linked instruments	NIL	NIL
	Senior managers having received other fixed remuneration	NIL	NIL
Variable Remuneration			
	The number of senior managers having received cash based variable remuneration award during the financial year.	NIL	NIL
	Senior managers having received shares and share-linked instruments	NIL	NIL
	Senior managers having received other variable remuneration	NIL	NIL
Other Remuneration			
	Number and total amount of guaranteed bonuses awarded during the financial year.	NIL	NIL
	Number and total amount of sign-on awards made during the financial year.	NIL	NIL
	Number and total amount of terminations payments made during the year	NIL	NIL
	Total amount of outstanding deferred remuneration split into cash, shares and share-linked instruments and other forms.	NIL	NIL
	Total amount of deferred remuneration paid out in the year.	NIL	NIL