

**Public Disclosure of Prudential Information in accordance with APRA Prudential Standard APS 330**

This report has been prepared by the Traditional Credit Union (the “Credit Union”) to meet its disclosure requirements under the Australian Prudential Regulatory Authority (“APRA”) Australian Prudential Standard (“APS”) 330 Capital Adequacy: Public disclosure of Prudential Information. Under APS 330, the Credit Union is required to disclose information about its remuneration.

APRA is the prudential regulator of the Australian financial services industry. The fundamental role of APRA is to ensure the stability of the financial industry, primarily through the establishment and enforcement of prudential standards.

**Qualitative disclosures**

The Board of Directors of the Credit Union has established the Board Nomination and Remuneration Committee (the “Committee”) to oversee the implementation of the Remuneration Policy. The Committee comprises nine members, of whom are independent directors. Each member of the Committee will be appointed for an initial term of three years, or shorter if circumstances dictate.

The Board of Directors will retain overall and ultimate responsibility for remuneration and the Committee will assist the Board by oversight, implementation and review of the remuneration policy and charter. The Committee will make recommendations to the Board on the individual remuneration of, at a minimum, any person/s appointed as Chief Executive Officer (CEO) and his or her direct reports and responsible persons as defined in the Fit and Proper Policy (excluding Non-Executive Directors and the External Auditor). The Committee will recommend on the remuneration of other persons who in the Committee’s view may be able to affect the financial soundness of the Credit Union. The Committee is able to obtain advice from both internal and external sources to facilitate remuneration management. The Board delegated the CEO the responsibility for determining the remuneration arrangements for the Credit Union’s employees.

The Committee has reviewed the risks and remuneration structures and considers the following employees responsible persons in accordance with its remuneration policy.

Responsible Persons	Notes
Chief Executive Officer	Tony Hampton – appointed 30 April 2018 Cathy Hunt – ceased 2 March 2018
General Manager Operations	John Appleby – full financial year, including Joint Acting CEO for 5 March to 27 April 2018
Corporate Service Manager	Cheurleen Lim – appointed 1 February the role, including Joint Acting CEO for 5 March to 27 April 2018

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. The HR Manager and the IT Manager are no longer considered responsible persons. The fit and proper policy for the Credit Union was updated in February 2018.

Material risk takers include persons for whom a significant portion of total remuneration is subject to bonus or performance based remuneration that may affect the financial soundness of the Credit Union. No person has been identified as a material risk taker for the period.

### **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 policy is to:

- attract and retain employees that are capable, motivated, have strategic vision, ability to drive growth while maintaining stability and financial soundness of the Credit Union;
- encourage behaviours that support the Credit Union's long term financial soundness and risk management framework (mainly in relation the variable or performance based components of remuneration); and
- ensure the remuneration arrangements are and remain compliant with the corporate governance requirements, including requirements under CPS 510.

#### ***Remuneration Arrangements***

Five of the directors receive remunerations, where the other directors elected to not receive remunerations. Prior to this financial year the directors had not been remunerated for their services.

The CEO, senior managers, employees and directly retained contractors of the Credit Union remuneration consists of fixed components comprising a base salary and superannuation benefits.

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

The Board, through the Committee, together with management of the Credit Union intend to ensure the objectives and requirements of this policy are implemented. The Policy and Charter were reviewed during the period with no material changes made.

### Quantitative Disclosures

During the financial year ended 30 June 2018 the Board held four meetings and the Committee held one meeting. A total amount of \$6,009 was paid to directors for the year.

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 \$ FY 2017/18
Fixed Remuneration			
	Senior managers having received a cash based fixed remuneration.	3	\$334,245
	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