

2017/2018 Remuneration Disclosure Requirements

Qualitative disclosures	
(a)	<p>Information relating to the bodies that oversee remuneration.</p> <ul style="list-style-type: none"> • The Board have delegated to the Board Remuneration & Succession Committee (RSC) the task of reviewing performance and recommending remuneration to the Board for senior managers and material risk-takers. The RSC is made up of non executive directors. • The RSC instructs the CEO to gather comparative remuneration information from organisations that are able to provide information from either within the mutual industry or from organisations that reflect specific skills industries eg. IT • The review of remuneration commences with a review of the Australian Bureau of Statistics Wages Price index and McGuirk Management Consultants Pty Ltd “Remuneration Survey”. • The Credit Union’s Remuneration Policy covers senior managers and any identified material risk-takers across the whole business • For the purpose of this disclosure, Senior Managers have been identified in accordance with Fit and Proper classification which was updated during the 2017/18 FY. Roles identified within this group are: <ul style="list-style-type: none"> - Chief Executive Officer - Chief Financial Officer - Chief Risk Officer and Company Secretary - Chief People Officer - Chief Information Officer - Lending Manager - Marketing Manager - Member Experience Manager • This disclosure also includes remuneration for the roles of Executive Manager Commerce and Marketing and Executive Manager Operations which were made redundant in the 2017/18 FY, and the former CEO who resigned on 7 July 2017. • There have been no staff identified as material risk-takers
(b)	<p>Information relating to the design and structure of remuneration processes.</p> <ul style="list-style-type: none"> • The objectives of the Credit Union’s Remuneration Policy are: <ul style="list-style-type: none"> - Attracting, developing and retaining exceptional people - To encourage behaviour that supports the Credit Union’s: <ul style="list-style-type: none"> ▪ Purpose, Values and Culture ▪ Strategy ▪ Long-term financial soundness; and ▪ Risk management framework - To align remuneration with prudent risk-taking - To fairly remunerate employees in line with mutual industry benchmarks • Key features include: <ul style="list-style-type: none"> - Fixed remuneration component - Variable remuneration component (for relevant job roles) <p>The fixed component of persons covered by this disclosure shall be assessed on the basis of:</p> <ul style="list-style-type: none"> - Qualifications - Experience Level - Market based salary evaluation - Contribution to the Credit Union

	<p>The performance-based components of persons covered by this policy may consist of:</p> <ul style="list-style-type: none"> - Performance bonuses on achieving key performance indicators/targets; and - Discretionary bonuses determined from time to time. <p>The maximum performance based remuneration shall not exceed 30% of the individuals total remuneration package.</p> <ul style="list-style-type: none"> - Cash performance bonuses may be available to senior managers and will be subject to KPIs approved by the Board. • The Remuneration Policy was extensively reviewed and amended during the 2017/2018 financial year with majority of changes taking effect from 1 July 2018. • Any risk and financial control personnel are remunerated independently of the business area they oversee by ensuring that the fixed component is referenced to industry benchmarking and achieving the variable component is not linked to their department producing a particular result and does not compromise the independence of these roles in carrying out their functions.
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes.</p> <ul style="list-style-type: none"> • Setting of fixed remuneration takes into account key person risk by using industry benchmark surveys to guide decision making to work with the objective of retaining exceptional high performing people. • The amount of variable remuneration is set at such a percentage of the fixed remuneration so as not to encourage excessive risk taking in order to earn excessive amounts of additional income. • Risks considered when setting the criteria for performance objectives linked to variable remuneration include: <ul style="list-style-type: none"> - Market risk (specifically interest rate risk) - Sustainability <ul style="list-style-type: none"> ▪ Growth ▪ Capital - Operational <ul style="list-style-type: none"> ▪ Strategic ▪ Leadership competencies • Senior managers are not set performance objectives in a way that encourages high risk behaviours in order to meet objectives. For example the senior manager responsible for lending is not given a growth objective. Where an objective in relation to the CEO may encourage high risk behaviour there is always a counter objective set to balance the risk equation. For example a growth objective will be counterbalanced with a capital adequacy objective.
(d)	<p>Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration.</p> <p>A balanced scorecard of organisational KPIs including both financial and non-financial metrics are used to assess business performance</p> <p>A performance bonus may only be paid upon completion of a performance review and rating assessment of an individual's performance.</p>

	<p>To be eligible for a bonus payment, the RSC shall assess the individual's performance based on:</p> <ul style="list-style-type: none"> • achievement of agreed performance targets, • meeting financial hurdles consistent with the economic environment in which the Credit Union operates, and • ensuring that the Credit Union meets all regulatory and legislative requirements <p>The main performance metrics in the 2017/18 FY include:</p> <ul style="list-style-type: none"> • Financial performance of the organisation compared to the budget • Implementation of the organisational business plan which addresses the strategies required to achieve the Board's strategic vision • Attainment of senior manager's individual performance objectives • Assessment against leadership competencies • Assessment against company values and behaviour statements <p>The overall performance of a senior manager, not limited to the above performance metrics, is taken into account when considering which quartile of the industry survey to benchmark the fixed remuneration to.</p> <p>Of all the metrics used to assess performance the individual performance objectives are the one that could, in hindsight, be considered weak. To mitigate that outcome there are at least 3 different levels of performance set for each objective. Each different level attracts a different percentage of the total variable remuneration portion attached to that objective. This ensures that there is always a 'stretch' level built into the objective which should negate it being considered weak in hindsight.</p>
(e)	<p>Description of the ways in which the ADI seeks to adjust remuneration to take account of longer-term performance.</p> <p>The Credit Union does not currently have long term performance incentives therefore there is no policy on deferral and vesting of variable remuneration.</p>
(f)	<p>Description of the different forms of variable remuneration that the ADI utilises and the rationale for using these different forms.</p> <p>100% of all variable remuneration is paid using cash.</p>
Quantitative disclosures	
(g)	<p>Number of meetings held by the Remuneration & Succession Committee – 2 Remuneration paid to committee members – N/A* *Committee members do not receive remuneration specific to this committee, committee members receive general board fees for being a MOVE Bank director.</p>
(h)	<p>Number of people who have received variable remuneration during the financial year – 11 Number and total amount of guaranteed bonuses – N/A Number and total amount of sign-on awards – Nil Number and total amount of termination payments – Three (3) totalling \$501,207</p>
(i)	<p>Total amount of outstanding deferred remuneration – \$183,529 Total amount of deferred remuneration paid out – N/A</p>
(j)	<p>Breakdown of the amount of remuneration awards for the financial year in accordance with disclosure requirements is shown below:</p> <ul style="list-style-type: none"> • Fixed and variable – 100% • Deferred and non-deferred – 10% • Different forms of remuneration <ul style="list-style-type: none"> - 100% cash

(k)	<p>Quantitative information about persons' exposure to implicit and explicit adjustment of deferred remuneration and retained remuneration.</p> <ul style="list-style-type: none"> As the Credit Union only uses cash payments as remuneration and doesn't have deferred or retained remuneration as part of its remuneration structure, there is nothing to disclose in relation to this area.
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Total value of remuneration awards for senior managers/material risk-takers – 2017/2018 financial year

Total value of remuneration awards for the current financial year	Unrestricted	Deferred
Fixed remuneration		
<ul style="list-style-type: none"> Cash based 	\$1,757,855	-
<ul style="list-style-type: none"> Shares and share-linked instruments 		-
<ul style="list-style-type: none"> Other 		-
Variable remuneration		
<ul style="list-style-type: none"> Cash based 	\$119,375	\$183,529
<ul style="list-style-type: none"> Shares and share-linked instruments 	-	-
<ul style="list-style-type: none"> Other 	-	-