

**APS 330 ATTACHMENT E**  
**REMUNERATION**

The Capricornian Ltd's Governance and Remuneration Committee is charged with the responsibility of overseeing remuneration for our organisation primarily ensuring that the Credit Union's Remuneration Policy and practices appropriately aligns remuneration and risk management in compliance with Prudential Standards CPS 510: Governance and PPG 511: Remuneration. The secondary role of the committee is to advise the Credit Union's Board in relation to the remuneration of non-executive directors. The composition of the Remuneration Committee is that it must consist of at least three (3) members; all members must be non-executive directors; a majority of the members must be independent and the Chair must be an independent director.

The Credit Union's Remuneration Policy is to be reviewed by the Governance and Remuneration Committee every 12 months to ensure that it operates in a manner consistent with the Board's requirements. The Credit Union's compliance with the Remuneration Policy is audited annually by the Credit Union's external auditor BDO Audit Pty Ltd.

Executive staff are considered as material risk takers according to the Credit Union's Remuneration Policy. Such staff include the Chief Executive Officer (CEO), persons who directly report to the CEO (excluding administrative staff reports), other persons whose activities may in the Governance and Remuneration Committee's opinion affect the financial soundness of the Credit Union, and any other person specified by APRA.

The design and structure of the Credit Union's Remuneration Policy is relatively simple with most of the Credit Union's employees being paid a wage for time worked in accordance with the *Banking, Finance and Insurance Award 2010 ("the Award")*. The Credit Union may choose to offer performance based remuneration to employees covered by the Award in certain circumstances, however in any situation the payments of any such performance based remuneration is at the discretion of the Credit Union depending on the circumstances at the time.

The Credit Union recognises the special position of its risk and financial control personnel in carrying out their functions particularly in implementing and monitoring the Credit Union's Risk Management System. To avoid the independence of these personnel in carrying out their functions being compromised it is the policy of the Credit Union that performance based remuneration is not paid to executive, finance or compliance and risk management staff with the exception of the Chief Executive Officer who is not paid significant performance based remuneration. Remunerations are independently reviewed and recommendations are forwarded to the Remuneration Committee for endorsement.

Remuneration progression at the Credit Union is assessed in accordance with the *Banking, Finance and Insurance Award 2010* and linked to individual key performance indicators for staff members including top-level business lines and departments as set by the relevant Executive Manager for staff and the Governance and Remuneration Committee for key staff.

The Credit Union's remuneration process considers the McGuirk Mutual Remuneration Survey as an industry benchmark when determining salary ranges for remuneration payments. The Capricornian Ltd does not offer variable or deferred remuneration. All remuneration is cash based remuneration, including superannuation payments.

	2020-2021	2019-2020
Number of meetings held by the Governance and Remuneration Committee during the financial year	2	2
Total remuneration paid to the members of the Governance and Remuneration Committee during the financial year	Nil	Nil
The number of persons having received a variable remuneration award during the financial year	Nil	Nil
The number and total amount of guaranteed bonuses awarded during the financial year	- Nil	- Nil
The number and total amount of sign-on awards made during the financial year	- Nil	- Nil
The number and total amount of termination payments made during the financial year	- Nil	- Nil
The total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Nil	Nil
The total amount of deferred remuneration paid out in the financial year	Nil	Nil
The breakdown of the amount of remuneration awards for the financial year in accordance with Table 18A below to show:		
- fixed and variable;		
- deferred and non-deferred; and	See Table 18A	See Table 18A
- the different forms used (cash, shares and share-linked instruments and other forms)		
Quantitative information about persons' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:		
- total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	Nil	Nil
- total amount of reductions during the financial year due to ex post explicit adjustments	Nil	Nil
- total amount of reductions during the financial year due to ex post implicit adjustments	Nil	Nil

**TABLE 18A: Total value of remuneration rewards for senior managers/material risk-takers**

Total value of remuneration awards	2020-2021		2019-2020	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
- Cash-based	\$958,241	n/a	\$776,260	n/a
- Shares and share-linked instruments	n/a	n/a	n/a	n/a
- Other	\$97,666	n/a	\$158,378	n/a
Variable remuneration				
- Cash-based	n/a	n/a	n/a	n/a
- Shares and share-linked instruments	n/a	n/a	n/a	n/a
- Other	n/a	n/a	n/a	n/a