REMUNERATION DISCLOSURES

Sydney Credit Union Limited must make the remuneration disclosures set out below

For the purposes of the remuneration disclosures, **a 'senior manager' includes**:

(a) **an executive director**;

(b) a **senior manager**, being a person (other than a director) who:

(i) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of Sydney Credit Union Limited;

(ii) **has the capacity to affect significantly the Sydney Credit Union Limited's financial standing**;

(iii) **may materially affect the whole, or a substantial part, of the business of** Sydney Credit Union Limited or its financial standing through their responsibility for:

- enforcing policies and implementing strategies approved by the Board of **Sydney Credit Union Limited**;
- the development and implementation of systems used to identify, assess, manage or monitor risks in relation to the business of the regulated institution; or
- monitoring the appropriateness, adequacy and effectiveness of risk management systems; or

(iv) **a person who performs activities for a subsidiary of the regulated institution** where those activities could materially affect the whole, or a substantial part, of the business of the regulated institution or its financial standing, either directly or indirectly (but not for a subsidiary that holds an RSE licence under the *Superannuation Industry (Supervision) Act 1993*).

For the purposes of the remuneration disclosures, 'material risk-taker' includes other persons for whom a **significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of** Sydney Credit Union Limited.

For the purposes of the remuneration disclosures, a person must be considered to be either a senior manager or material risk-taker if that person is:

(a) employed directly by the Sydney Credit Union Limited;

(b) retained directly by Sydney Credit Union Limited under contract; or

(c) employed by, or a contractor of, a body corporate (including a service company) that is a **related body corporate** of Sydney Credit Union Limited.

The remuneration disclosures required must be published with the same frequency as, and concurrent with the lodgement of its financial statements under Corporations Act, unless otherwise agreed with APRA, at 31 October annually.

TABLE A - QUALITATIVE DISCLOSURES		
(a)	Information relating to the bodies that oversee remuneration.	Sydney Credit Union Limited does not have a separate Remuneration Committee. Under Section 3.5.8 of its Charter, the Board Executive Committee performs the functions of a Remuneration Committee. This is permitted under PPG 511.6. The make-up of the Board Executive Committee is the Chair, Vice Chair, and the Chairs of the Board sub-Committees, i.e. Governance Committee Chair, Risk Management Committee Chair, and the Audit &Compliance Committee Chair. This committee oversees the remuneration of management as per the remuneration policy. The remuneration policy covers all persons or classes or persons that put the SCU's soundness at risk. This Policy deals with the remuneration of the Chief Executive Officer (CEO), direct reports of the CEO, other persons whose activities may in the Board Executive Committee's opinion could put the SCU's financial soundness at risk. • responsible persons defined in APRA's fit and proper prudential standards to include directors, executives and senior managers who make or participate in making decisions that affect the whole, or a substantial part, of the SCU. The key issue is that personnel need to be remunerated in a manner which does not expose the SCU to excessive risk. The remuneration standard excludes non-executive directors, appointed Auditors, responsible auditors. • those whose primary role is risk and financial control (including Risk Management, Compliance, internal audit, financial control and actuarial control roles). • those persons who receive a significant proportion of performance-based remuneration such as bonuses or commissions. • The Policy does not apply to remuneration for staff covered by Sydney Credit Union Limited’s EBA 2012-2016. The CEO has the responsibility for these employees. • The remuneration of the Board must be approved by the Members in General Meeting before being effective.

The Management Team is divided into :

The Management Team is divided into :	Description	Number
Senior managers	CEO, Deputy CEO, Executive Manager Retail and Executive Marketing Manager	4
Risk and management personnel	Financial Controller, Risk and Compliance Manager, Audit Manager, Loans Manager, IT Manager, Retail Sales and Operations Manager, Collections Manager, Regional Managers (2)	9
Material risk-taker	Persons subject to bonus or performance based remuneration	Nil

(b)	Information relating to the design and structure of remuneration processes.	The remuneration policy is established to oversee the remuneration of the senior managers of Sydney Credit Union Limited with the objective to ensure it is comparable to like organisations. The policy is reviewed annually and was last reviewed on the 26th June 2014. There were no changes to the policy in the past year. The Financial Controller, Risk and Compliance Manager, Audit Manager, Loans Manager, IT Manager, Retail Sales and Operations Manager, Collections Manager and Regional Managers are all are on a fixed salary which is evaluated by the Board Executive Committee to ensure that the reporting obligations are not compromised by financial incentives.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes.	The policy seeks to ensure that quality employees are employed, and retained and are remunerated in accordance with their responsibilities and experience. The Board Executive Committee seeks the input from external remuneration consultants and applicable surveys to guide the committee on the appropriate remuneration for the senior management team. The Board Executive Committee assess the relevant remuneration on a case by case basis to ensure the remuneration reflects the skill and experience of the managers to meet the board expectations and changes in the business proposed by the strategic plan.
(d)	Description of the ways in which Sydney Credit Union Limited seeks to link performance during a performance measurement period with	The performance of the Sydney Credit Union Limited is impacted by the market conditions at the time and by the level of adherence to policies of the credit union, so as to remain with the risk appetite of the board. Sydney Credit Union Limited does not have a direct link between the performance and remuneration. The Board Executive Committee takes into account a combination of factors, such as financial performance in the economic environment, compliance with regulatory requirements and the results of member satisfaction feedback, in assessing the performance of the CEO and other senior managers in the credit union.

	levels of remuneration.	
e)	Description of the ways in which Sydney Credit Union Limited seeks to adjust remuneration to take account of longer-term performance.	There are no specific measures taken to reward longer term performance. Remuneration is based on the salary agreed in consultation with the senior manager. There is no deferred remuneration arranged with the managers other than the employee statutory entitlements and award conditions as amended. A redundancy or termination payment will be negotiated with each employee as required by the Award conditions and in consultation with the board of directors.
(f)	Description of the different forms of variable remuneration that Sydney Credit Union Limited utilises and the rationale for using these different forms.	There are no elements of variable remuneration at Sydney Credit Union Limited that are pre-determined. Any performance bonus arrangements are discussed at the board level to reward exceptional performance where applicable. In the past year bonus payments paid to senior managers was $Nil.

QUANTITATIVE DISCLOSURES

TABLE B	
• Number of meetings held by Board Executive Committee overseeing remuneration during the financial year and the remuneration paid to its members.	The Board Executive Committee has met 3 times during the financial year ending 30 June 2014. Total remuneration paid to members of the Committee for this period was $110,441.
• The number of employees having received a variable remuneration award during the financial year. • Number and total amount of guaranteed bonuses awarded during the financial year. • Number and total amount of sign-on awards made during the financial year. • Number and total amount of severance payments made during the financial year.	Nil Nil Nil Nil
• Total amount of outstanding deferred remuneration,(split into cash, shares and share-linked instruments and other forms.) • Total amount of deferred remuneration paid out in the year	Nil Nil

TABLE C SENIOR MANAGERS		
Total value of remuneration awards for the current financial year	**Unrestricted**	**Deferred**
Number of managers	**4**	**0**
Fixed remuneration		
• Cash-based	$684,603	NIL
• Shares and share-linked instruments	NIL	NIL
• Other (Fringe benefits) (d) below	$54,915	NIL
Variable remuneration		
• Cash-based	NIL	NIL
• Shares and share-linked instruments	NIL	NIL
• Other	NIL	NIL

TABLE D - RISK AND MANAGEMENT PERSONNEL		
Total value of remuneration awards for the current financial year	**Unrestricted**	**Deferred**
Number of Managers	**9**	**0**
Fixed remuneration		
• Cash-based	$790,607	NIL
• Shares and share-linked instruments	NIL	NIL
• Other	$46,431	NIL
Variable remuneration		
• Cash-based	NIL	NIL
• Shares and share-linked instruments	NIL	NIL
• Other	NIL	NIL

TABLE E - MATERIAL RISK-TAKERS

There are no managers, employees or consultants that are substantially remunerated on a commission nor incentive basis

TOTAL VALUE OF REMUNERATION AWARDS FOR THE CURRENT FINANCIAL YEAR	UNRESTRICTED	DEFERRED	UNRESTRICTED	DEFERRED
Fixed remuneration				
• Cash-based	NIL	NIL	NIL	NIL
• Shares and share-linked instruments	NIL	NIL	NIL	NIL
• Other	NIL	NIL	NIL	NIL
Variable remuneration				
• Cash-based	NIL	NIL	NIL	NIL
• Shares and share-linked instruments	NIL	NIL	NIL	NIL
• Other	NIL	NIL	NIL	NIL

Quantitative information about employees' exposure to implicit and explicit adjustments to incentives or performance based remuneration

	DEFERRED REMUNERATION	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 pose explicit adjustments.	NIL	NIL
• Total amount of reductions during the financial year due to ex post implicit adjustments	NIL	NIL