

**APS330 - Disclosure of Prudential Information - Remuneration Disclosure 30th June 2019**

This disclosure on remuneration refers to *Laboratories Credit Union Limited (ABN 77 087 650 217)*

**Qualitative Disclosures**

Laboratories Credit Union has a Remuneration Committee to oversee the remuneration of the General Manager and senior managers. The remuneration of the Board must be approved by the members at the Annual General Meeting before becoming effective.

The Remuneration Committee is comprised of 4 members, being the Chair of the Board and 3 other Directors. All members of the Committee must be non-executive Directors and the majority should be independent Directors.

In determining remuneration for the General Manager and senior management, the Remuneration Committee reviews the Mutual Industry Salary Survey produced by McGuirk Management Consultants which provides information on current market salaries for like positions within mutual organisations.

Laboratories Credit Union has a remuneration policy which outlines the structure of remuneration arrangements for the Board and senior management.

The senior management team is divided into the following categories:

Position	Title	Number
Senior managers	General Manager and Assistant General Manager	2
Material risk-taker	Persons subject to bonus or performance based remuneration	0

Senior Managers are remunerated with a fixed salary which is evaluated by the Remuneration Committee to ensure that the reporting obligations are not compromised by financial incentives.

The policy seeks to ensure that quality employees are employed and retained and are remunerated in accordance with their responsibilities and experience.

The Remuneration 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 Remuneration 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.

The performance of Laboratories Credit Union is impacted by the market conditions at the time and by the level of adherence to policies, so as to remain within the risk appetite of the Board.

Laboratories Credit Union does not have a direct link between performance and remuneration. The Remuneration 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 General Manager and Assistant General Manager.

There are no specific measures taken to reward longer term performance. Remuneration is based on the salary agreed in consultation with the senior managers. 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, the Credit Union policies and in consultation with the Board of Directors.

There are no elements of variable remuneration at Laboratories Credit Union that are pre-determined. Any performance bonus arrangements are discussed at the Board level to reward exceptional performance where applicable. In the prior year, bonus payments paid to senior managers was \$6,000.

### Quantitative Disclosures

	Number	Amount
Number of meetings held by the Remuneration Committee during the financial year and amount of remuneration paid to committee members. <b>NB.</b> Total remuneration of the 4 Committee members for the 2018/19 financial year includes their annual LCU non-executive directors' fee and remuneration for all other roles they perform for the organisation.	4	\$27,000
The number of employees having received a variable remuneration award during the financial year	NIL	NIL
Guaranteed bonuses awarded during the financial year	NIL	NIL
Sign-on awards made during the financial year	NIL	NIL
Severance payments made during the financial year	NIL	NIL
Total amount of outstanding deferred remuneration	NIL	NIL
Total amount of deferred remuneration paid out in the year	NIL	NIL

The remuneration disclosures below are to be completed for the following groups:

- (a) Senior Managers
- (b) Material risk-takers (remuneration based on performance - commissions, incentives etc.)

### Senior Managers

Number of Managers	2
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Total value of remuneration for the current financial year	Unrestricted	Deferred
<u>Fixed remuneration</u>		
Cash-based	\$289,108	NIL
Shares and share- linked instruments	NIL	NIL
Other (Fringe benefits)	\$26,036	NIL
<u>Variable remuneration</u>		
Cash-based	NIL	NIL
Shares and share- linked instruments	NIL	NIL
Other	NIL	NIL

### Material Risk-Takers

There are no managers, employees or consultants that are substantially remunerated on a commission or incentive basis.