

APS330 PUBLIC DISCLOSURE

Attachment G, Remuneration

Qualitative Disclosures	
(a)	<p>The Board of Queensland Country Bank Limited ('the Bank') has a Remuneration & Governance Committee, comprising four non-executive directors and with the Chair of the Committee being the Chair of the Board. The Board of Directors resolved to combine the Committee responsibilities of the Remuneration Committee and the Governance Committee at a meeting held on 20 April 2018. The purpose of the Remuneration & Governance Committee ("the Committee") is to assist the Board of Directors in relation to <u>Remuneration</u> matters with the:</p> <ul style="list-style-type: none"> • performance and remuneration of the Group Chief Executive Officer (Group CEO); • performance and remuneration of senior management;¹ • remuneration levels for Bank and Health Fund non-executive Directors; • remuneration strategies, practices and disclosures generally. <p>¹ For the purposes of the work of the Committee 'senior management' refers to the executives who report directly to the Group CEO (excluding administrative direct reports), and any other members of the management team the Committee determines should be subject to its supervision.</p> <p>Since 1 July 2015, the Bank has developed and introduced a salary structure with the assistance of external consultants, BDO (Qld) Pty Ltd (BDO.) The Bank's structure has pay grades or bands, each having a pay range which is based around competitive market positions for companies of our size. The median for each grade is set relative to the general market median and reflecting the regional location of our business. The work value of each position is assessed utilising a scoring tool comprising three factors: Knowledge and Skills, Complexity, and Accountability. Each position has been assigned to one of the pay grades based on the work value score. Salaries for individual roles may at times fall outside the salary range determined. The pay bands are assessed and updated annually by BDO factoring in Wage Price Index and Consumer Price Index fluctuations for the financial year.</p> <p>The Bank's Board Policy – Remuneration applies to whole of the organisation and there is no foreign element.</p> <p>As defined by paragraph 22 of APS 330 Public Disclosures, the following persons are considered material risk takers and senior managers of the Bank:</p> <p>Senior Managers (11) Each "Responsible Person" included in an ADI's Remuneration Policy.</p> <p>Material Risk-Takers (Nil) Persons subject to bonus or performance-based remuneration.</p>
(b)	<p>The purpose of the Bank's Board Policy – Remuneration ("the Policy") is to set out the Bank's objectives in relation to its remuneration arrangements, the structure of the arrangements, who the Policy covers, and related matters. The policy's objective is to establish and maintain a competitive and attractive remuneration policy that is fairly applied, to assist in providing a rewarding career for staff and success for the business as a whole.</p> <p>The policy is reviewed at least every three years and was last reviewed on 17 April 2019, to extend its scope and application to the Banking Executive Accountability Regime (BEAR.)</p> <p>Risk and Financial Control Personnel are covered by the policy to ensure they maintain independence in their decision-making and oversight roles, and the Policy provides that their remuneration must be structured in a manner that in no way compromises this independence. The Policy defines Risk and Financial Control Personnel as all persons whose primary role is risk management, compliance,</p>

	<p>internal audit, financial control or actuarial control at Senior Management level (collectively 'Risk and Financial Control Personnel'), whether or not they are Responsible Persons.</p>
(c)	<p>Prudential Standard CPS 510 sets out among the minimum foundations for good governance, the requirement that a Board have in place a Remuneration Policy that aligns remuneration and risk management. The Bank's Board Policy – Remuneration ("the Policy") and Remuneration & Governance Committee ("the Committee") constitute part of the risk management framework of the Bank.</p> <p>The Committee makes recommendations to the Board, annually and as required, on the remuneration of the Group CEO, direct reports to the Group CEO (excluding administrative direct reports), other person(s) whose activities may in the Committee's opinion affect the financial soundness of the Bank, and any other person specified by APRA, ensuring individual remuneration packages align performance-based components with prudent risk-taking, incorporating adjustments to reflect:</p> <ul style="list-style-type: none"> • the outcomes of business activities; • risks related to business activities taking account, where relevant, of the cost of associated capital; and • time necessary for outcomes of business activities to be reliably measured. <p>The nature and type of these measures has not changed over the past year.</p>
(d)	<p>The Committee makes recommendations to the Board, annually and as required, on the remuneration of the Group CEO, direct reports to the Group CEO (excluding administrative direct reports), other person(s) whose activities may in the Committee's opinion affect the financial soundness of the Bank and any other person specified by APRA, ensuring individual remuneration packages:</p> <ul style="list-style-type: none"> • maintain a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Bank's circumstances and goals; • clearly demonstrate the link between performance and remuneration; • are competitive in order to attract and retain high-calibre executives and managers; • do not contain performance-based components that may compromise the independence of personnel in carrying out their functions
(e)	<p>The Bank has no deferred remuneration arrangements.</p>
(f)	<p>Executive remuneration packages may include a performance-based or "variable remuneration" component, payable with or without deferral. Payment of any part of the performance-based component is at the discretion of the Board and contingent upon the achievement of agreed performance standards or financial benchmarks which are set at the start of each financial year.</p> <p>The performance-based components may consist of a performance Bonus (not to exceed 15% of Fixed Remuneration) to a cap of \$50,000.</p> <p>Executives may also participate in the bonus pool that is allocated amongst other employees. Executives only participate in the bonus pool if company performance meets set key performance indicator targets set at the beginning of the financial year. Any bonus pool amounts paid to Executives is included in the \$50,000 cap.</p> <p>Performance-based remuneration takes the form of cash payments. As a mutual institution, the Bank does not provide equity or equity-linked forms of remuneration.</p> <p>Should a performance bonus exceed the amounts set out in section 37EB of the <i>Treasury Laws Amendment (Banking Executive Accountability and Related</i></p>

	<p><i>Measures) Act 2018 (Cth)</i>, it will be deferred subject to the requirements of Part 1, Division 4 of that Act.</p> <p>The Board has discretion to adjust the performance-based components of the remuneration of a person covered by this Policy downwards, to zero if necessary, if such adjustment is required to:</p> <ul style="list-style-type: none"> • protect the financial soundness of the Bank; • respond to significant adverse unexpected or unintended consequences affecting the Bank, and those consequences had not been foreseen by the Committee at the time of setting the person’s performance-based components of remuneration.
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(g)	Number of meetings held by Remuneration Committee during the financial year (NB: For FY20, the Committee Chair was remunerated in the amount of \$2,500, with no other Committee Members receiving remuneration for their role on the Committee.)	Four (4)
(h)	<ul style="list-style-type: none"> • Number of persons having received a variable remuneration payment 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 termination payments made during the financial year. 	Nine (9) 0 0 0 0
(i)	<ul style="list-style-type: none"> • 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 financial year. 	Nil Nil
(j)	<p>Total value of remuneration awards for the financial year ended 30 June 2020</p> <p><i>Fixed remuneration</i></p> <p>Cash-based Shares and share-linked instruments Other</p> <p><i>Variable remuneration</i></p> <p>Cash-based Shares and share-linked instruments Other</p>	\$2,197,246.54 Nil Nil \$49,805.03 Nil Nil
(k)	<ul style="list-style-type: none"> • Total number of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments • Total amount of reductions during the financial year due to ex post explicit adjustments • Total amount of reductions during the financial year due to ex post implicit adjustments 	Nil Nil Nil