

**APRA Prudential Standard APS 330  
Remuneration Disclosure  
30 June 2018**

**Governance Processes for Remuneration**

The Mac has the following processes in place in respect of the remuneration of key decision making personnel:

- The Governance Committee makes recommendations to the full Board in respect of Director Remuneration & entitlements.
- The Executive Committee (comprising Board Chair, Deputy Chair, Governance, Audit & Risk Committee Chairs) makes recommendations to the full Board in respect of the Chief Executive Officer's (CEO) remuneration & entitlements.
- The CEO is responsible for reviewing the remuneration packages of the other key decision making personnel.

For the purposes of this disclosure, the "key decision making personnel" group is comprised of the following

- CEO
- Executive Management Team (the CEO, the Chief Financial Officer (CFO) and the Chief Operating Officer (COO)). These officers are all responsible persons defined as "Senior Managers" in accordance with Prudential Standard CPS 510 "Governance".

There are no employees outside of the above that are considered material risk takers as defined in paragraph 21 of APS 330.

**Remuneration Policy**

There were no material changes to the remuneration policy over the past year. The policy is reviewed on an annual basis and was last reviewed on 27 July 2017.

The remuneration structure for key personnel broadly comprises a fixed salary & superannuation. It does not include short term or longer term incentives.

The only exception to this is in terms of the CEO, who has a number of short term incentives. However, these incentives comprise less than 10% of the total remuneration package.

In determining appropriate remuneration packages input is sought from a number of industry based surveys. As well as using these surveys, The Mac also participates in terms of contributing data to an industry based survey. The outcome of this is to provide an appropriate, market competitive package for all positions.

The performance and remuneration of key employees is assessed according to objectives specific to the roles they undertake. As remuneration is based on fixed salary & superannuation, reporting obligations are not compromised by financial incentives.

**Performance Based Remuneration**

In determining the remuneration of key personnel, a combination of factors is taken into account:

- Achievement of The Mac's objectives, including financial performance
- Compliance with regulatory requirements & management of risk

- Achievement of objectives specific to the role
- Remuneration offered in similar positions within similar institutions

There are no deferred remuneration arrangements with any staff other than statutory entitlements & award conditions. Where appropriate, a redundancy or termination payment would be negotiated with each employee as required by Award conditions.

#### Quantitative Disclosures

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| Number of meetings of the Executive Committee (Remuneration Committee) | 2   |
| Number of variable remuneration awards                                 | Nil |
| Number and total guaranteed bonuses award during the financial year    | Nil |
| Number and total sign-on awards made during the financial year         | Nil |
| Number and total termination payments made during the financial year   | Nil |
| Total amount of outstanding deferred remuneration                      | Nil |
| Total amount of deferred remuneration paid during the financial year   | Nil |

#### Total Value of Remuneration for Senior Managers and Material Risk Takers

|                                     | Unrestricted | Deferred |
|-------------------------------------|--------------|----------|
| <b>Fixed Remuneration</b>           |              |          |
| Cash-based                          | \$558,126    | Nil      |
| Shares and share-linked instruments | Nil          | Nil      |
| Other                               | Nil          | Nil      |
| <b>Variable remuneration</b>        |              |          |
| Cash-based                          | Nil          | Nil      |
| Shares and share-linked instruments | Nil          | Nil      |
| Other                               | Nil          | Nil      |

The Senior Managers included in the table above also meet the APS 330 definition of "material risk taker".

There are no other employees for whom a significant portion of remuneration is based upon a Commission or other performance related structure and whose activities may affect the financial position of The Mac.