

# **REMUNERATION POLICY BENDIGO COMMUNITY TELCO LIMITED**

## **Overview**

Principle 9 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations is to remunerate fairly and responsibly by ensuring that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

This document sets out the Bendigo Community Telco's policy in respect to remuneration paid to directors and staff.

The objectives of the remuneration policy are as follows.

- To motivate management and staff to manage and lead the business successfully and to drive strong long-term organisational growth in line with the strategy and business objectives.
- To drive successful organisational performance by incorporating an annual performance incentive and establish longer-term performance objectives.
- To further drive longer-term organisational performance through an equity-based reward structure.
- To make sure that there is transparency and fairness in staff remuneration policy and practices.
- To deliver a balanced solution addressing all elements of total pay – base pay, bonuses and incentives.
- To make sure appropriate superannuation arrangements are in place for staff.
- To contribute to appropriate attraction and retention strategies for staff.

## **Staff remuneration package**

### **Fixed remuneration**

It is intended that base salaries take into account market relativities, having regard to the need for Bendigo Community Telco to attract, motivate and retain staff.

The Chief Executive Officer decides the remuneration of the key staff based on their direct accountability and responsibility for the operational management, strategic direction and decision-making for Bendigo Community Telco and demonstrated leadership.

The Board decides the remuneration of the Chief Executive Officer, and considers whether any increase should be made to the base salary on an annual basis.

### **Performance-based remuneration**

Payment is contingent upon the achievement of agreed performance standards or financial benchmarks which are set at the start of each financial year.

Staff may also participate in the bonus pool that is allocated amongst other employees. Staff only participate in the bonus pool if company performance exceeds the budget set at the beginning of the financial year.

#### Superannuation contribution

The superannuation guarantee charge contribution (currently 9%) is made for all employees, including executives. Staff may also salary sacrifice additional amounts into superannuation.

#### Termination payments

Staff employment contracts are not to be for fixed terms and are not to include provision for payment on early termination, without Board approval.

#### Method for working out staff payments

The method for working out the or more specified non-director executives for disclosure in the annual report is in accordance with the requirements of the Corporations Act and accounting standards. This includes the amount of remuneration for Corporations Act purposes, which is based on the total remuneration package for staff comprising base salary, plus “at risk” component, plus superannuation.

#### Remuneration Committee

The Remuneration Committee makes recommendations to the Board in relation to the remuneration framework for directors.