

REMUNERATION DISCLOSURES

FY 2014/2015

<u>QUALITATIVE DISCLOSURES</u>	
<p>(a.1) The name, composition and mandate of the main body overseeing remuneration:</p> <p>ASL's Board HR & Remuneration Committee oversee the governance of remuneration. The Committee consists of three Directors, the majority of whom are independent.</p>	<p>Payments are expressed in terms of total cost to the company, thereby permitting the recipient to take non cash payments (e.g. access to a motor vehicle) but subject always to the total cost to the company (including any applicable taxation) not exceeding the prescribed total amount</p>
<p>(a.2) The name of external consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process;</p> <p>Hays Recruitment conducted an assessment for the HR & Remuneration Committee to assess and compare the CEO and CFO remuneration against the market in April 2014.</p>	<p>(b.2) Has the Remuneration Committee reviewed the ADI's Remuneration Policy during the past year, and if so, an overview of any changes that were made:</p> <p>ASL's Remuneration Policy is reviewed annually by the ASL Board and was last reviewed in February 2015. No material changes were made during the last review.</p>
<p>(a.3) A description of the scope of the ADI's Remuneration Policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches;</p> <p>ASL's Remuneration policy specifically deals with those positions outlined in APS 510 that have the opportunity to materially influence the integrity, strategy and operation of the company and its financial performance.</p> <p>The policy covers the remuneration of the roles outlined in the HR & Remuneration Committee Charter</p>	<p>(b.3) A discussion of how the ADI ensures that risk and financial control personnel (as defined in paragraph 48(b) of CPS 510) are remunerated independently of the businesses they oversee.</p> <p>ASL's risk and compliance staff are remunerated independently of the business areas they oversee through specified KPI's, and performance measures that are independent of revenue generating areas. Financial control staff are not rewarded for undertaking high risk practices.</p>
<p>(a.4) A description of the types of persons considered as material risk takers and as senior managers as defined in paragraph 17 of the Prudential Standard, including the number of persons in each group.</p> <p>There are five employees considered as key risk takers, the CEO, CFO, COO, Head of Member Care and Manager, Risk & Governance. There is a total of four senior managers.</p>	<p>(c.1) An overview of key risks that the ADI takes into account when implementing remuneration measures:</p> <p>ASL's policy is to ensure that the level and composition of remuneration is appropriate and fair having regard to competitive forces and the interests of the company, its shareholders, and that its relationship to performance is clear in present and future environments.</p>
<p>(b.1) An overview of the key features and objectives of the remuneration policy;</p> <p>Remuneration arrangements include measures of performance, the mix or forms of remuneration (such as fixed and variable components) and the timing and eligibility to receive payments.</p> <p>Only cash, and cash equivalent remuneration shall be permitted – no equity or equity linked payments is permitted.</p>	<p>(c.2) An overview of the nature and types of key measures used to take into account of these risks, including risks difficult to measure:</p> <p>ASL's KPI's do not support, encourage, or reward behaviour that encourages short term gains that could, or be perceived to damage the financial stability of ASL.</p>

<p>(d)</p> <p>(e/f)</p> <p>(g)</p>	<p>Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration. Disclosures must include:</p> <ul style="list-style-type: none"> • an overview of the main performance metrics for the ADI, top-level business lines and individuals; • a discussion of how amounts of individual remuneration are linked to institution-wide and individual performance; and • a discussion of the measures the ADI will in general implement to adjust remuneration in the event that performance metrics are weak. <p>Staff are subject to performance management reviews bi-annually. Remuneration, including bonuses, are in alignment with the outcome of these reviews.</p> <p>Remuneration is based on companywide key performance indicators (KPI's), as well as individual role specific KPI's. These KPI's are assessed individually on a rating scale overseen by the individuals' supervisor or committee.</p> <p>Remuneration increases will only take place if ASL's overall performance is positive, AND the individuals' performance is considered to be exceeding expectations.</p> <p>If the company performance is weak, no increases in remuneration will take place despite personal achievements of staff.</p> <p>The ADI's policy on deferral of remuneration, the affected persons, and types of remuneration.</p> <p>Remuneration payments for executive managers are made with an initial payment of 70% of the total amount payable. The remaining amount is paid after 12 months. All remuneration is cash only.</p> <p><u>QUANTITATIVE DISCLOSURES</u></p> <p>Number of meetings held by main body overseeing remuneration during the financial year, and the remuneration paid to its members.</p> <p>One meeting of the HR & Remuneration Committee were held during the 2014/2015 financial year. Total remuneration for the members was \$166,512.</p>	<p>(h.1) Number of persons having received a variable remuneration award during the financial year.</p> <p>Twelve.</p> <p>(h.2) Number and amount of total guaranteed bonuses.</p> <p>There are no guaranteed bonuses.</p> <p>(h.3) Number of sign on awards.</p> <p>No such awards during the financial year.</p> <p>(h.4) Total amount of termination payments.</p> <p>Total termination payment paid during 2014/2015 was \$22,635.</p> <p>(i) Total amount of outstanding deferred remuneration.</p> <p>Nil</p> <p>(j) Breakdown of remuneration for the financial year.</p> <p>The total amount of remuneration awards for the FY 2014/2015 was \$2,664,444 Remuneration consists entirely of cash.</p> <p>(k) Information on persons exposure to implicit fluctuations, such as share performance, associated to their remuneration.</p> <p>ASL has only cash based remuneration. No other forms of payment were applicable during the period. No payment is based on share values or implicit fluctuations.</p>
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TABLE 1: MATERIAL RISK TAKERS

Total value of remuneration awards for the FY 2014/2015	Unrestricted	Deferred
Fixed remuneration	\$1,001,338	nil
Cash based	\$1,001,338	nil
Shares and other	nil	nil
Variable remuneration	\$151,750	\$39,000
Cash based	nil	nil
Shares and share-linked	nil	nil
Other (Bonus)	\$151,750	\$39,000

TABLE 2: MANAGERS:

Total value of remuneration awards for the FY 2014/2015	Unrestricted	Deferred
Fixed remuneration	\$518,527	nil
Cash based	\$518,527	nil
Shares and other	nil	nil
Variable remuneration	\$17,500	nil
Cash based	nil	nil
Shares and share-linked	nil	nil
Other (Bonus)	\$17,500	nil