Remuneration Policy

[insert full company name]

SAMPLE

TEMPLATE

Company:	[insert full company name]
ACN:	[insert]
AFSL:	[insert]
Date Updated:	[insert date]

VERSION CONTROL

Version Number	Date Updated	Notes
1	[insert date]	Original document prepared and finalised.

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SECTION A – INTRODUCTION

1. INTRODUCTION

1.1 This Remuneration Policy (the "**Policy**") sets out [insert full company name]'s ("**[insert defined company name]**") approach to remunerating its employed representatives who provide advice to retail clients ("**Clients**"). It covers all aspects of Remuneration including salaries, bonuses, commissions, incentive plans and other related arrangements.

1.2 The aim of this Policy is to establish benchmarks which:

(a) reward Employees for excellent performance of their job responsibilities; and

(b) promote a robust compliance culture and ethical financial services practices.

1.3 This Policy is designed to provide structure and controls to prevent the payment and receipt of "conflicted Remuneration" in breach of the ban on conflicted Remuneration set out in sections 963J and 963K of the Corporations Act.

1.4 The Policy aims to:

(a) provide transparency in the procedure for payment of remuneration;

(b) motivate staff and provide incentives for the personnel of [insert defined company name] to achieve business targets and increase productivity and competitiveness;

(c) deliver an appropriate link between reward and performance; and

(d) provide a comprehensive, consistent and effective compliance management tool that prevents breach of the ban on conflicted Remuneration.

1.5 As with other aspects of [insert defined company name]'s systems and controls, Remuneration policies, procedures and practices must be comprehensive and proportionate to the nature, scale and complexity of [insert defined company name]'s activities.

1.6 [insert defined company name] and its Employees will at all times act honestly, fairly and professionally in the course of providing financial services and will to this end, ensure that it has sound and effective policies and procedures in place to manage its Remuneration practices.

1.7 Severe penalties and fines can be imposed on licensees and Employees who breach the ban on conflicted Remuneration.

2. APPLICATION

2.1 This Policy is only applicable to Employees of [insert defined company name] who provide advice to Clients.

2.2 Positions within [insert defined company name] that this Policy is applicable to include, but are not limited to, the following Employees:

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(a) Sales Representatives;

(b) Account Managers;

(c) [insert any other positions].

3. DEFINITIONS

3.1 **Client** means any retail client as defined in s761G of the Corporations Act.

3.2 **Corporations Act** means *Corporations Act 2001* (Cth).

3.3 **Employee** means any [insert defined company name] employees, officers, authorised representatives or representatives who provide advice to Clients.

3.4 **Remuneration** means all forms of payment or benefits provided directly or indirectly by [insert defined company name] to an employed representative of [insert defined company name] who provide advice to Clients. The Remuneration could include monetary and/or non-monetary benefits.

3.5 **RG246** means *ASIC Regulatory Guide 246: Conflicted and Other Banned Remuneration*.

4. GENERAL PRINCIPLES, PROCEDURES AND CONTROLS

4.1 [insert defined company name] must ensure that this Policy complies with Division 4 of Part 7.7A of the Corporations Act, and ASIC Regulatory Guide 246: Conflicted and Other Banned Remuneration and aligns with the business strategy, objectives, values and long-term interests of [insert defined company name].

4.2 [insert defined company name] should be able to demonstrate that its decisions are consistent with an assessment of its financial condition, future prospects and compliance obligations. In particular, the payment of Remuneration for potential future revenue, the timing and likelihood of which remain uncertain, should be evaluated carefully and approved by the [Board/Director].

4.3 [insert defined company name] ensures that the organisational measures it adopts regarding the launch of new products or services take into account this Policy and the risks that these products or services may pose. Prior to launching a new product, [insert defined company name] will assess whether the Remuneration features related to the distribution of the new product comply with this Policy and therefore do not pose conduct of business and/or compliance risks.

4.4 [insert defined company name] has established adequate controls for compliance with this Policy to ensure they deliver the intended outcomes. The controls are implemented by [insert relevant role] **[E.G. BY THE GENERAL MANAGER/COMPLIANCE OFFICER/BOARD OF DIRECTORS]** and subject to review by the [Board/Director] on a [quarterly/annual] basis. Such controls include assessing the following areas via monitoring calls for telephone sales, sampling Client portfolios provided to check suitability, or reviewing other Client documentation on a regular basis:

(a) compliance with statutory and regulatory obligations;

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