

Remuneration Disclosures

Year ended 30 June 2026

24 September 2026

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1. Introduction

This document has been prepared to comply with the disclosure requirements of APRA's Prudential Standard CPS 511 *Remuneration* for non-significant financial institutions and will be published on the Bank's website.

2. People and Culture Committee

The Mutual Bank's Board People and Culture Committee's responsibilities with respect to remuneration and performance include:

- Oversee the design, operation and monitoring of The Mutual Bank's Remuneration Framework, noting that the Board is ultimately responsible for the Framework and its effective application.
- Conduct regular (minimum annual) reviews of, and make recommendations to the Board on, the Bank's *Remuneration Policy*, including an assessment of the Policy's application, effectiveness and compliance with APRA's Prudential Standards CPS 510 *Governance* and CPS 511 *Remuneration*.
- In relation to the *Remuneration Policy*, report any non-compliances, material deviations from the Policy's intent, or any undesirable outcomes that flow from existing arrangements to the Board and make recommendations for amendment.
- Make annual recommendations to the Board on the remuneration of the CEO.
- Review and challenge the CEO's annual performance assessments and remuneration recommendations for the Executives and other persons who the Committee considers may affect the financial soundness of the institution, or who are specified by APRA before making recommendations to the Board on the remuneration outcomes for these groups.
- Consult with the Board Risk Committee and Chief Risk Officer to enable risk outcomes to be appropriately reflected in remuneration outcomes for Executives. This consultation must follow a documented process.
- Conduct triennial market remuneration benchmarking reviews and make recommendations to the Board on remuneration arrangements for the Executives, taking into account the Bank's strategy, objectives, risk profile, regulatory requirements and market developments.
- Identify future unreasonable or undesirable remuneration outcomes that could flow from existing arrangements and advise the Board in this regard.
- Review and make recommendations to the Board on:
 - the structure of any financial incentive schemes, financial reward schemes and any payments made in this regard;
 - any proposed changes to superannuation arrangements over and above statutory requirements;
 - the remuneration of non-executive Directors; and
 - the Remuneration Framework for Directors.

During the year ended 30 June 2026, the People and Culture Committee met three times.

3. Remuneration Framework

The Mutual Bank's *Remuneration Framework* was redesigned in 2023 and supports the implementation of the Strategic Plan, three-year budget and Funding Strategy. The components of the *Remuneration Framework* are outlined in Figure 1.

The Mutual Bank's *Remuneration Framework* is designed to align remuneration outcomes with the Bank's business plan, strategic objectives and Risk Management Framework. In practice, this means remuneration decisions take account of financial performance, customer outcomes, strategic delivery, risk and compliance

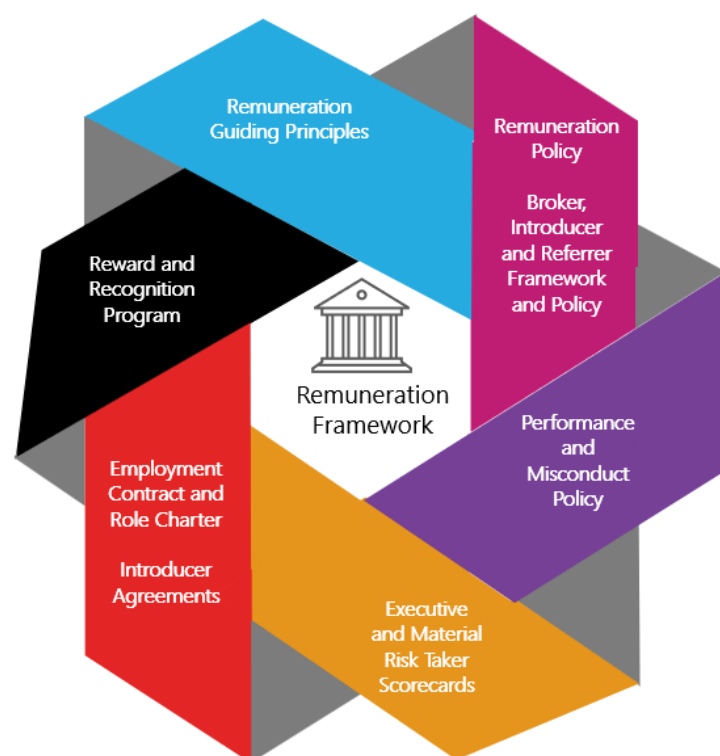
outcomes, conduct, leadership and sustainable performance. Executive scorecards include financial and non-financial measures, with risk and values gateways used to reinforce prudent risk-taking, sound conduct and customer-focused outcomes.

Risk input is incorporated into remuneration decisions through the Chief Risk Officer's annual assessment of relevant Executive risk outcomes, supported by consultation with the Board Risk Committee and other relevant governance forums where appropriate. This provides the People and Culture Committee and the Board with a clearer view of risk, conduct, audit, compliance and control outcomes before remuneration recommendations are approved.

An example of the effectiveness of the components of the Remuneration Framework in practice is the approach to prudent conduct risk management at the Executive level:

- the Executive Scorecard includes risk and conduct expectations;
- the *Performance and Misconduct Policy* outlines the consequences applied when expectations are not met; and
- the *Remuneration Policy* outlines the approach to Board oversight and the remuneration implications that may arise from conduct concerns.

Figure 1: Components of Remuneration Framework



4. Remuneration Policy

The Mutual Bank has a Board-approved *Remuneration Policy* aligned to APRA's Prudential Standard CPS 511 *Remuneration*, which is subject to an annual effectiveness and compliance review.

4.1. Policy coverage

The *Remuneration Policy* applies to remuneration arrangements across the Bank, including fixed remuneration, performance-related remuneration, variable remuneration where applicable, and consequence management. It

also sets out how the Bank identifies, manages and oversees remuneration arrangements for specified roles and other employees.

The Mutual Bank has the following groups:

- Non-executive Directors;
- Executives;
- employees whose primary role is risk and financial control (including risk management, compliance, internal audit and financial control roles);
- Material Risk Takers;
- all other employees, including those on fixed term contracts; and
- third-party providers who have entered into compensation arrangements with The Mutual Bank.

For CPS 511 disclosure purposes, specified roles include the Chief Executive Officer, Executives who are Senior Managers, Material Risk Takers where identified, and employees whose primary role is risk and financial control. Variable remuneration is currently limited to the Chief Executive Officer. Executives and Material Risk Takers are assessed through scorecards and consequence management arrangements, but do not currently participate in a variable remuneration scheme unless expressly approved by the Board.

4.2. Policy objectives

The objectives of the *Remuneration Policy* are to:

- comply with CPS 510 *Governance* and CPS 511 *Remuneration*;
- encourage behaviour that supports The Mutual Bank's business plan, strategic objectives and Risk Management Framework;
- promote the effective management of both financial and non-financial risks, sustainable performance and The Mutual Bank's long term financial soundness;
- support the making of fair, consistent and transparent remuneration decisions;
- support the prevention and mitigation of conduct risk;
- ensure that the structure for the remuneration of risk and financial control personnel, including performance-based components if any, does not compromise the independence of these personnel in carrying out their functions;
- provide competitive and reasonable remuneration to attract and retain high calibre employees; and
- ensure employee remuneration is kept at a sustainable level based on the combination of the employee's performance, market pay considerations and The Mutual Bank's ability to sustain an appropriate cost profile.

4.3. Variable remuneration

Currently, The Mutual Bank has a variable remuneration scheme established for the Chief Executive Officer only by way of a short-term incentive with deferral requirements. The scheme was established to comply with CPS 511 and better practice. Its application is overseen by the People and Culture Committee, which makes recommendations to the Board of Directors.

The CEO variable remuneration outcome is determined by the Board following assessment against the approved scorecard, values and risk gateways, and relevant risk, conduct and performance inputs. The Board may exercise discretion to reduce any variable remuneration outcome, including to zero, where risk, conduct, compliance, financial or customer outcomes warrant adjustment.

Deferred variable remuneration is subject to the deferral, vesting, malus and clawback arrangements set out in the *Remuneration Policy* and relevant employment arrangements. Where a matter involving risk, conduct,

compliance or accountability is under investigation, vesting may be delayed until the matter is closed. Where a person is no longer employed by the Bank, unvested variable remuneration remains subject to the same vesting conditions unless an exception is expressly permitted under the *Remuneration Policy*.

The table below outlines the approach to performance assessment and consequence management to best support prudent risk management.

Table 1: Approach to risk management and consequence management

Role	Approach to risk management and consequence management
Chief Executive Officer	Performance scorecard with financial and non-financial metrics, supported by values and risk gateways. Variable remuneration is determined by the Board following assessment against the scorecard, gateways and relevant risk and conduct inputs. Deferral has been implemented, and malus and clawback provisions are included in the employment contract. The Board may apply downward adjustment, including to zero, where warranted by the severity of risk, conduct, compliance, financial or customer outcomes.
Executives and Material Risk Takers	Performance scorecards include financial and non-financial metrics, supported by values and risk gateways. Executives and Material Risk Takers do not currently participate in a variable remuneration scheme unless approved by the Board. Risk and conduct outcomes are considered through the annual performance process and may affect remuneration outcomes, salary review outcomes, role accountabilities or other consequence management actions.
All employees	Behavioural expectations that support prudent risk management are outlined in the Code of Conduct and supported by the <i>Performance and Misconduct Policy</i> . Consequence management may include coaching, formal counselling, formal warning, performance or compliance action plans, suspension, withholding of remuneration outcomes where applicable, reporting to regulators or law enforcement where required, or termination of employment. Consequences are applied having regard to the nature and severity of the conduct or breach.

4.4. Third-party remuneration arrangements

The Mutual Bank considers third-party remuneration and incentive arrangements where they may create conflicts with the objectives of the *Remuneration Framework*. This includes assessing whether incentive-based pay or compensation arrangements with service providers could encourage outcomes that are inconsistent with prudent risk management, fair customer outcomes, conduct expectations or the Bank's risk appetite. Where relevant, conflicts are managed through due diligence, contract management, oversight, and the Bank's *Conflicts of Interest Policy*.

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