

CPS 511 - Remuneration Disclosure as at 30 June 2025

Overview

Woolworths Team Bank (WTB) is required to make clear, comprehensive, meaningful, consistent and comparable public disclosures regarding its remuneration framework and practices under *Prudential Standard CPS 511 Remuneration*. As a non-significant financial institution (non-SFI), WTB provides these qualitative disclosures annually to ensure transparency for members and regulators.

Governance of the Remuneration Framework

The Board of WTB is ultimately responsible for the bank's remuneration framework and its application. It has established the Board Governance and Remuneration Committee (BGRC) to oversee the framework's effectiveness.

Disclosure Item	Details
Committee Name	Board Governance and Remuneration Committee (BGRC).
Composition	Four nominated directors. All members are non-executive and independent.
Independence	The BGRC Chair is an independent director. The Chair of the Board sits on the Committee but cannot chair it.
Term	The BGRC members are appointed for a term of 12 months.
Meetings	In the Financial Year 2025, the BGRC met 4 times to fulfill its oversight duties.
Oversight and Access	The Committee has unrestricted access to risk and financial personnel and may engage independent third-party advisors as needed.

The BGRC reviews the remuneration framework annually to ensure compliance with current prudential standards.

Remuneration Policy and Design

The WTB Remuneration Framework aligns with the bank's business plan and risk management framework to promote sustainable performance and long-term soundness.

Specified Roles

In accordance with CPS 511, WTB identifies the following individuals as being in Specified Roles:

- Chief Executive Officer (CEO).
- Senior Managers: Includes the Chief Financial Officer (CFO), Chief Risk and Compliance Officer (CRCO), Marketing Manager and Loans Manager.
- Risk and Financial Control Personnel: Persons whose primary role is risk management, compliance or finance.
- Responsible Persons: As defined under CPS 520 Fit and Proper.

Variable Remuneration

WTB operates a remuneration model that primarily consists of fixed pay. Variable remuneration (performance-based bonuses) is currently offered only to the **CEO** and **Senior Managers**. These incentives are recommended by the BGRC and approved by the Board based on performance assessments.

Performance and Risk Alignment

For roles eligible for variable remuneration, outcomes are aligned with the bank's risk profile and performance outcomes. The BGRC oversees this alignment by:

- Conducting annual performance assessments of the CEO and senior management.
- Ensuring risk outcomes are appropriately reflected in remuneration outcomes.
- Identifying any undesirable outcomes that may flow from existing arrangements.

Consequence Management

WTB maintains a robust **consequence management** framework to ensure there are appropriate outcomes for poor risk management or misconduct.

- **Adjustment Tools:** The bank utilizes adjustment tools, including malus and overriding Board discretion, to adjust variable remuneration downwards (potentially to zero) in the event of material breaches.

- **Triggers:** Specific triggers for downward adjustment include misconduct, significant risk management failures, or breaches of compliance and accountability obligations.
- **Ongoing Review:** The BGRC monitors the fitness and propriety of the CEO and senior management through initial and annual reassessments.