

Bendigo and Adelaide Bank Limited Basel III Pillar 3

Annual Remuneration Disclosures as at 30 June 2024

Introduction

The remuneration disclosure has been prepared in accordance with Australian Prudential Regulation Authority's (APRA's) remuneration disclosure requirements as set out in Prudential Standard APS 330 Public Disclosure for Bendigo and Adelaide Bank Limited ("Bank")¹. This disclosure is separate to the statutory financial reporting disclosures presented in the Bank's 2024 Remuneration Report which relates to Key Management Personnel, governed under the Corporations Act 2001.

The following qualitative and quantitative disclosure relates to the employees covered by the Group Remuneration Policy ("Remuneration Policy") and includes the definitions for Specified Roles under relevant regulations with remuneration requirements (e.g. CPS 511, Financial Accountability Regime). As required under this Prudential Standard, qualitative information is in line with the Remuneration Policy and quantitative information relates to the following roles:

- **Senior Managers:** defined as an Executive Committee member, direct report to the Managing Director, Accountable Person, or an employee who has the capacity to affect significantly the Bank's financial standing.
- **Material Risk Takers ("MRTs"):** defined as a General Manager or equivalent role which leads a revenue generating business unit, is responsible for the Bank's liquidity or is responsible for the Group's technology, systems security risk and/or data risks.

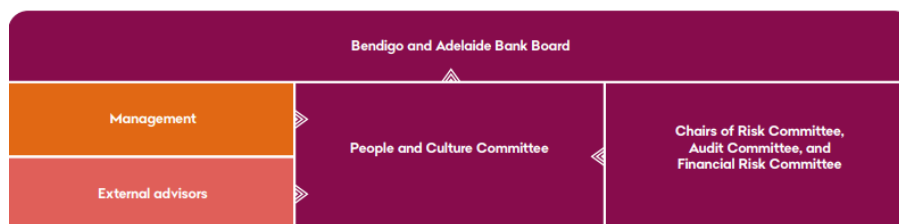
The Board has approved the Remuneration Policy. On an annual basis, the Bank reviews the definitions and individuals identified as Specified Roles to ensure it reflects the current state of roles, business structures and changes to risk profile. Specified Roles are then reported to and confirmed by the Board.

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¹ The Bank has no foreign subsidiaries or branches.

1. Remuneration Governance



The People & Culture Committee¹ (Committee) assists the Board in relation to the Group's remuneration arrangements. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are all independent Non-executive Directors:

- a) Vicki Carter (Chair until 30 June 2024)²
- b) Abi Cleland (Chair from 01 July 2024)
- c) David Foster³
- d) Alistair Muir

A summary of the Committee's remuneration responsibilities is presented below and the Committee Charter is available from the Corporate Governance section of the Bank's website at <https://www.bendigoadelaide.com.au/esg/governance/>.

The Committee's remuneration responsibilities include conducting regular reviews of, and making recommendations to the Board on, the remuneration strategy and policy taking into account the Group's objectives, risk profile, shareholder interests, regulatory requirements and market developments. The Committee is also responsible for making recommendations to the Board on:

- The remuneration arrangements for executives, including the terms on which performance-based remuneration will be provided;
- The performance-based remuneration outcomes for the executives; and
- The annual bonus pool.

The Committee makes recommendations to the Board on the exercise of the Board's discretion to adjust incentive and performance-based remuneration to reflect the outcomes of business activities and the risks relating to those activities.

The Committee is also responsible for recommending to the Board the remuneration matters specified by APRA under Prudential Standard CPS 511 Remuneration relating to the CEO, Senior Managers / Executive Directors, MRTs and Risk & Financial Control Personnel. The Committee also has responsibility for providing input into the Group's risk management framework in relation to remuneration risk, in particular recommending to the Board the remuneration arrangements of Specified Roles under CPS 511. The Committee reviewed the Remuneration Policy in FY24 and made minor changes to reflect the remuneration framework.

As part of the end-of-year process the Committee takes advice from the Chairs of the Board Risk Committee, Board Financial Risk Committee, and Board Audit Committee regarding the need to apply risk adjustments to incentive outcomes to individual executives, cohorts of employees or across the Bank.

The Committee may consult a professional adviser or expert, at the cost of the Bank, if the Committee considers it necessary to carry out its duties and responsibilities. During the FY24 process, the Committee considered remuneration data, trends and assistance with other ad-hoc tax, governance and legal matters from experienced remuneration consultations, including PwC. No remuneration recommendations as defined in the Corporations Act 2001 (Cth) were provided to the Committee during FY24.

The Committee met seven times in the financial year ended 30 June 2024. The following table shows the annual fees in FY24 for the Board and Committees (inclusive of superannuation contributions). Chair fees are all-inclusive (i.e. a separate committee member fee is not paid).

Board/Committee	Fee	
	Chair \$	Member \$
Board	479,230	165,000
Committees	40,000	20,000

¹ On 17 June, the Board resolved to retire the People, Culture and Transformation Committee effective 1 July 2024 and to create the People and Culture Committee effective from 1 July 2024.

² Vicki Carter was appointed as Interim Chair of the Bendigo and Adelaide Bank Board on 17 April 2024 and appointed permanently as Chair on 13 May 2024.

³ David Foster was a Non-executive Director for the full year and has been on leave from 17 April 2024 with no remuneration paid from this date. David Foster was Chair from 24 October 2023 to 10 May 2024 but did not receive remuneration from 17 April 2024. David Foster resigned from his role as a Non-executive Director effective 23 September 2024.

2. Remuneration Strategy, Design and Structure

The Remuneration Policy provides the framework for the implementation, assessment and maintenance of the Bank’s remuneration strategy and arrangements. The framework is structured to attract, retain and motivate employees to achieve the Bank’s objectives within the approved risk appetite. Employees are incentivised to drive performance, think and act like a shareholder, and are held accountable for risk outcomes. Risk forms a significant portion of the remuneration framework, with effective risk management imperative for our performance and sustainability. The remuneration framework meets regulatory requirements.

The Bank’s values and guiding principles for the remuneration framework are detailed below.



2.1 Remuneration structure for FY24

The key elements of remuneration for most employees are fixed remuneration and performance-based remuneration. The mix of remuneration elements (both fixed and variable) for Bank employees varies depending on the employee's role and level. The remuneration mix is designed to be market competitive, while providing the appropriate performance focus for their role. The following outlines the Bank's remuneration elements:

Fixed remuneration: paid in base salary and superannuation contributions. Set with reference to market relativities, individual role accountabilities and performance. Fixed remuneration is paid annually.

Variable remuneration: The Bank offers variable remuneration to eligible employees in the form of short term and long-term incentives. The mix and value of variable remuneration varies depending on the nature of the participant's role and responsibilities and their ability to influence the Bank's performance and financial standing. The Bank has intentionally designed a remuneration framework with the aim of promoting safer banking practices through the moderate incorporation of incentives (particularly compared to similar sized ASX listed organisations). The measures used in incentive plans ensure that employees retain a strong focus on financial and non-financial risk management, including a material weighting towards non-financial measures.

Key features of the Bank's variable remuneration approach is outlined below:

Feature	Bonus Equity Plan (BEP)	Short-term incentive (STI)	Long-term incentive (LTI)
Eligibility	Salaried employees who do not participate in other incentives.		Executives and select Senior Leaders.
Purpose	Recognise Group performance and reward excellent individual performance in driving medium term results. Annual incentive that is awarded to employees who demonstrate satisfactory values-based behaviour, risk and compliance management. BEP is delivered in 100% deferred share rights. STI is delivered in 50% cash and 50% deferred share rights.		Drive and reward long term growth and sustained company value and align the interests of participants with shareholders and other key stakeholders. Delivered 100% in performance rights.
Opportunity as a % of base salary	Target: 10% Maximum: 15% Opportunity levels are moderated by the Group STI Scorecard outcome	CEO & MD: Target: 50% Maximum: 65% Executives: Target: 45% (CRO 38%) Maximum: 60% (CRO 50%) MRTs: Target: 22.5% Maximum: 30% Opportunity levels are moderated by the Group STI Scorecard outcome	CEO & MD: 65% Executives: 40%
Delivery and deferral*	100% deferred share rights for 12 months and 24 months after annual performance period.	Cash (50%) paid immediately after annual performance period and share rights (50%) deferred for 12 months.	Tested after 4 years and deferred for 5 years (Executives) and 6 years (CEO).
Performance	Group Scorecard is assessed annually based on both financial and non-financial measures. Below are the measures: <ul style="list-style-type: none"> Financial measures: <ul style="list-style-type: none"> 20%: Cost-to-Income ratio 20%: Cash Earnings 10%: Profit after capital charge Non-financial measures: <ul style="list-style-type: none"> 20%: Risk and Capability 20%: Customer & Community 10%: People & Planet A Risk overlay may modify outcomes based on a comprehensive assessment of risk management (outside of Scorecard measures). Individuals must meet the Risk and Compliance gateway to be eligible to participate in the award, and risk and conduct standard must be maintained for the duration of the award. Individuals have their own individual goals that are set and aligned to the strategic pillars of the business. Each individual must have a risk-related measure.		LTI is assessed collectively based on both financial and non-financial measures. Below are the measures: <ul style="list-style-type: none"> Financial measures: <ul style="list-style-type: none"> 40%: Relative Total Shareholder Return 25%: Absolute Return on Equity Non-financial measures: <ul style="list-style-type: none"> 20%: Net Promoter Score 15%: Reprtrak The Risk and Compliance gateway must be met for the duration of the award. Individuals must meet the Risk and Compliance gateway to be eligible to participate in the award, and risk and conduct standard must be maintained for the duration of the award.

Feature	Bonus Equity Plan (BEP)	Short-term incentive (STI)	Long-term incentive (LTI)
	Final bonus outcomes are based on both the Group Scorecard outcome and individual performance assessment.		
Board discretion	Underpinning all reward decisions is the application of Board discretion. This is guided by principles which ensure that reward outcomes align to financial performance, intended results, and the experience of shareholders, customers, and the broader community.		
Consequence Management Policy (“CMP”)	The CMP provides the Board and the Bank with a framework to consider and apply financial and non-financial consequences where employees have accountability for adverse risk and conduct outcomes. The CMP helps promote a strong risk culture.		

*In line with regulatory requirements for Specified Roles, there is a \$50,000 deferral threshold that applies.

3. Linking Remuneration and Risk

The Board is responsible for the risk management strategy which includes approving the risk management framework and risk appetite within which the Bank operates. All material risks are managed within a risk appetite linked to our strategy, planning framework and business objectives. The risk appetite is defined using quantitative and qualitative measures for the major risk categories of credit risk, interest rate risk in the banking book, traded market risk, liquidity risk, operational risk and strategic risk.

The Board, including through its Risk and Financial Risk Committees, closely monitors the Bank’s risk profile against the approved risk appetite and risk management framework. The remuneration structures are designed to support the risk management framework. This is achieved by aligning remuneration outcomes with risk outcomes, staff behaviour and the financial soundness of the Bank, as outlined in the table below.

Risk incorporation into reward	Description
Risk and Compliance gateway	There is a risk and compliance gateway applicable to all incentives, including the BEP, STI and LTI. The gateway must be met to participate in the plans, and risk and conduct standards must be met throughout the performance and vesting period.
Material weighting of non-financial measures and risk-related measures	All incentive plans have a material weighting towards non-financial measures, with a focus on the effective management of risks. The BEP and STI have both collective and individual risk related measures. The LTI assesses non-financial performance against customer and reputation metrics, which are key indicators of sustainability. Overall, the STI has a 50% and LTI has a 35% scorecard weighting towards non-financial measures.
Equity based reward elements	Employees at all levels of the Bank have a significant portion of their remuneration delivered in equity of the Bank. 50% of the STI is delivered in equity and 100% of the BEP and LTI is delivered in equity. This promotes a mindset of all employees being an owner in the Bank, and ‘thinking and acting like a shareholder’.
Deferral	The BEP, STI and LTI all include deferral to encourage long-term decision making and help build a sustainable Bank for all our stakeholders. 50% of the STI is deferred for 1 year, 100% of the BEP is deferred for 2 years and 100% of the LTI is deferred for 5 years (Executives) and 6 years (CEO).
Risk and Financial Control Personnel	The following arrangements have been established to ensure Risk and Financial Control personnel are remunerated independently of the business they oversee: <ul style="list-style-type: none"> • The Board sets the parameters for the annual review of fixed and variable remuneration, having regard to the recommendation of the Committee. • Base remuneration and Group Bonus awards are determined within Board approved parameters and confirmed by the Chief Risk Officer to ensure the independence of the staff and functions are not compromised. • The performance objectives and individual Group Bonus awards are aligned with organisational performance and the responsibilities and performance of the relevant risk or financial control function.
Remuneration governance and approvals	<ul style="list-style-type: none"> • The Board has absolute discretion, having regard to a recommendation by the Committee, to adjust variable remuneration to reflect the outcomes of business activities and the risks related to those activities. This includes adjusting variable based remuneration downwards, to zero if appropriate, if such adjustments are necessary to protect the financial soundness of the Bank and/or to respond to significant unexpected or unintended consequences that were not foreseen by the Board. • The Board approves remuneration outcomes and settings for Senior Managers on an individual basis and MRTs and Risk and Financial Control personnel on a collective basis. This is based on detailed financial, non-financial and broader risk performance indicators. • The Committee in recommending outcomes to the Board hold a joint meeting with the Chairs of the Risk, Audit and Financial Risk Committees, Chief Risk Officer and General Manager Group Internal Audit to enable risk compliance, and audit matters to be considered for Specified Roles and the broader organisation.

Group Bonus Pool and risk overlay	<p>The payment of Group Bonus awards is subject to the establishment of an annual bonus pool. The Board considers a quality of earnings analysis from finance and decides the annual bonus pool and in exercising this discretion it has regard to financial and non-financial measures.</p> <p>In particular, some of the indicators of risk performance the Board may assess in generating a pool includes, risk appetite, financial and non-financial risk, compliance or audit matters, unintended risk outcomes and material adverse customer outcome. The Board may utilise the Risk Overlay to adjust the Group Bonus Pool based on a comprehensive assessment of risk management (outside of Scorecard measures). Group risk measures have not changed in FY24.</p>
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3.1 Consequence Management Policy

While it is important to drive risk performance, employees are held accountable for adverse risk, conduct and performance outcomes. During the year, the Bank conducted a comprehensive review and uplift of its consequence management approach, which included engagement with APRA. The Bank is committed to maintaining a robust Consequence Management Policy (CMP), which helps strengthen the Bank's risk culture.

Below is an overview of the CMP.

Principles that underpin the CMP

- Decisions under the Policy should be underpinned by the Bank's strategy, culture, and values;
- Consequences should be consistently applied in similar cases and reflect procedural fairness;
- Consequences should be proportionate and linked to the severity of the matter;
- Consequences should be determined at the earliest opportunity; and
- Positive risk role models and events should be acknowledged and recognised.

Scope	Assessment and application process
<ul style="list-style-type: none"> • All employees are in scope; • Financial adjustments include in-year bonus, malus and clawback; and • Non-financial consequences include increased supervision, training, verbal / written warning and termination. 	<ul style="list-style-type: none"> • Assessments occur throughout the year; • People leaders assess low level of severity events whilst Employee Relations will assess moderate-high level of severity events; • Consequence Management Committee (CMC) Chaired by CEO, including CRO, CPO, COO, CCO Consumer, CFO and General Counsel assesses material matters and recommends outcomes for Specified Roles; • The CMC recommends outcomes for review at the PCC; and • The PCC recommends remuneration related outcomes to Board for approval.

Trigger events	Consequence Management Matrix																														
<p>Examples include:</p> <ul style="list-style-type: none"> • Fraud, dishonesty, failure or breach of accountability, compliance obligations; • Serious misconduct; • Significant failure of financial or non-financial risk management; • Significant adverse outcomes for customers and other stakeholders; • Material reputational damage; and • Breached accountability obligations. 	<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 10px;">INCREASING SEVERITY OF IMPACT</div> <table border="1" style="border-collapse: collapse;"> <tr> <td rowspan="5" style="background-color: #800040; color: white; text-align: center; vertical-align: middle; width: 40px;">SEVERITY OF IMPACT</td> <td style="background-color: #f0f0f0;">Very high</td> <td colspan="2" style="background-color: #f08080;">Category B</td> <td rowspan="2" style="background-color: #d9534f; color: white;">Category A</td> </tr> <tr> <td style="background-color: #f0f0f0;">High</td> <td style="background-color: #f08080;">Category C</td> <td style="background-color: #f08080;">Category B</td> </tr> <tr> <td style="background-color: #f0f0f0;">Medium</td> <td style="background-color: #f08080;">Category D</td> <td style="background-color: #f08080;">Category C</td> <td style="background-color: #d9534f; color: white;">Category B</td> </tr> <tr> <td style="background-color: #f0f0f0;">Low</td> <td style="background-color: #f08080;">Category E</td> <td style="background-color: #f08080;">Category D</td> <td style="background-color: #d9534f; color: white;">Category C</td> </tr> <tr> <td style="background-color: #f0f0f0;"></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <div style="margin-left: 10px;"> <table border="1" style="border-collapse: collapse; text-align: center;"> <tr style="background-color: #800040; color: white;"> <th colspan="3">GREATER LEVELS OF ACCOUNTABILITY</th> </tr> <tr style="background-color: #800040; color: white;"> <th colspan="3">ACCOUNTABILITY</th> </tr> <tr style="background-color: #f0f0f0;"> <th style="width: 33%;">Low</th> <th style="width: 33%;">Medium</th> <th style="width: 33%;">High</th> </tr> </table> </div> </div>	SEVERITY OF IMPACT	Very high	Category B		Category A	High	Category C	Category B	Medium	Category D	Category C	Category B	Low	Category E	Category D	Category C						GREATER LEVELS OF ACCOUNTABILITY			ACCOUNTABILITY			Low	Medium	High
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Sequencing of remuneration adjustment tools

<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">INCREASE IN SEVERITY</div> <div style="border-left: 2px solid #800040; border-right: 2px solid #800040; height: 20px; margin-right: 5px;"></div> </div>	Clawback	• Repayment of variable reward that has been paid and vested;
	Malus	• Reduction down to zero of variable reward that has been granted but not yet vested due to service or performance conditions to be met (e.g. deferred STI, LTI); and
	In-year	• Reduction down to zero of in-year variable reward (e.g. STI).

4. Quantitative Disclosures

The following quantitative disclosures are provided in accordance with Prudential Standard APS 330.

Table A: Remuneration awarded during FY24

The table below summarises the various payments made to Senior Managers and MRTs during FY24.

Item	Senior Managers		Material Risk Takers	
	FY24	FY23	FY24	FY23
Number of persons who received variable remuneration	Short Term Incentive: 10	Short Term Incentive: 11	Bonus Equity Plan: 3	Short Term Incentive: 9
	Long Term Incentive: 9	Long Term Incentive: 9	Short Term Incentive: 10	Long Term Incentive: 1
			Long Term Incentive: 2	
Number of guaranteed bonuses awarded	-	-	-	-
Value of guaranteed bonuses awarded	-	-	-	-
Number of sign-on awards	-	-	-	-
Value of sign-on awards	-	-	-	-
Number of termination payments	-	-	-	-
Value of termination payments	-	-	-	-

Table B: Total value of remuneration for FY24

The table below provides the total amount of remuneration awarded to Senior Managers during FY24.

Remuneration element	Senior Managers		Material Risk Takers	
	FY24 \$'000	FY23 \$'000	FY24 \$'000	FY23 \$'000
<i>Base Remuneration</i> ¹				
• Fixed base (non-deferred) ²	8,198	8,038	5,177	3,629
• Shares and share linked instruments ³	-	104	-	-
• Other ⁴	-	117	36	35
<i>Variable Remuneration</i>				
• Cash STI ⁵	1,173	1,604	373	475
• Shares and share linked instruments ⁶	3,149	3,220	1,050	828
• Other	-	-	-	-

¹ The remuneration details relate to the individuals who held Senior Manager and MRT roles both during and as at the end of the financial year.

² The amounts represent base salary, employer superannuation contributions, any cash allowances and salary sacrifice payments.

³ The amounts represent the fair value of annual deferred base pay grants amortised over the deferral period. Deferred base pay was offered in prior years. The fourth and final tranche of the award vested during 2023. Deferred base pay is no longer offered.

⁴ This comprises annual leave and long service leave entitlements accrued but not taken during the financial year. The balance for Senior Managers for FY24 reflects nil due to the sum of Annual Leave & Long Service Leave. The quantum for this amount was \$204.

⁵ This represents the cash component of any STI outcome paid in FY24.

⁶ This represents the fair value of performance right, share right and loan funded share grants amortised over the applicable 4-year performance periods and the fair value STI deferred share grants amortised over the 2-year deferral period and any other equity-based awards where applicable.

Table C: Outstanding, vested and forfeited deferred remuneration

This table provides the total amount of outstanding, vested and forfeited deferred remuneration and any implicit and explicit adjustments made during 2024.

Remuneration element	Senior Managers		Material Risk Takers	
	FY24 \$'000	FY23 \$'000	FY24 \$'000	FY23 \$'000
Total amount of outstanding deferred remuneration ¹	7,868	8,534	2,182	1,611
Total amount of deferred remuneration which vested ²	16,190	811	3,289	19
Total amount of reductions due to explicit adjustments ³	45	694	(3)	37
Total amount of reductions due to implicit adjustments ⁴	(3,831)	(565)	596	(18,815)

¹ The amounts represent the value of deferred share, loan funded share and performance right grants that are still subject to the relevant deferral or performance period and will be tested in future periods. The amounts have been calculated using the accounting fair values with the exception of the FY24 STI equity grant which uses the 5 Day VWAP to determine the number of rights.

² The amounts represent the value of deferred shares that had vested and were released during the year and the value of ordinary shares, allocated in respect to vested and exercised performance rights, that were released during the year. The amounts have been calculated using a closing price of the Bank's shares at release date.

³ The amounts represent the value of deferred share and performance right grants that were forfeited during the financial year due to failure to meet the required performance hurdles or service conditions. The value is calculated using the fair value on the date of grant.

⁴ This includes any decreases to the value of the outstanding awards due to down movements in the Bank's share price during the year.