

REMUNERATION DISCLOSURES

Australian Mutual Bank Ltd must make the remuneration disclosures set out below.

For the purposes of the remuneration disclosures, a **'senior manager' includes:**

(a) **an executive director;**

(b) a **senior manager**, being a person (other than a director) who:

(i) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of Australian Mutual Bank Ltd;

(ii) **has the capacity to affect significantly Australian Mutual Bank's financial standing;**

(iii) **may materially affect the whole, or a substantial part, of the business of** Australian Mutual Bank Ltd or its financial standing through their responsibility for:

- enforcing policies and implementing strategies approved by the Board of **Australian Mutual Bank;**
- the development and implementation of systems used to identify, assess, manage or monitor risks in relation to the business of the regulated institution; or
- monitoring the appropriateness, adequacy and effectiveness of risk management systems; or

(iv) **a person who performs activities for a subsidiary of the regulated institution** where those activities could materially affect the whole, or a substantial part, of the business of the regulated institution or its financial standing, either directly or indirectly (but not for a subsidiary that holds an RSE licence under the *Superannuation Industry (Supervision) Act 1993*).

For the purposes of the remuneration disclosures, 'material risk-taker' includes other persons for whom a **significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of** Australian Mutual Bank Ltd.

For the purposes of the remuneration disclosures, a person must be considered to be either a senior manager or material risk-taker if that person is:

(a) employed directly by the Australian Mutual Bank Ltd;

(b) retained directly by Australian Mutual Bank Ltd under contract; or

(c) employed by, or a contractor of, a body corporate (including a service company) that is a **related body corporate** of Australian Mutual Bank Ltd.

The remuneration disclosures required must be published with the same frequency as, and concurrent with the lodgement of its financial statements under Corporations Act, unless otherwise agreed with APRA, at 31 October annually.

TABLE A - QUALITATIVE DISCLOSURES

(a)	Information relating to the bodies that oversee remuneration.	<p>The Board Governance and Remuneration Committee oversees the remuneration of management as per the remuneration policy and oversees compliance with the Prudential Standard on remuneration. The make-up of the Board Governance and Remuneration Committee is the Chair, Deputy Chair, and the Chairs of the Board sub-Committees, i.e. Risk Committee Chair and the Audit Committee Chair.</p> <p>The remuneration policy covers all persons or classes or persons that put the AMBL's soundness at risk.</p> <p>This Policy deals with the remuneration of the Chief Executive Officer (CEO), direct reports of the CEO, other persons whose activities may in the Board Governance and Remuneration Committee's opinion could put AMBL's financial soundness at risk, and any other person specified by APRA.</p> <ul style="list-style-type: none"> • Responsible persons defined in APRA's fit and proper prudential standards include directors, executives and senior managers who make or participate in making decisions that affect the whole, or a substantial part, of AMBL. The key issue is that personnel need to be remunerated in a manner, which does not expose AMBL to excessive risk. The remuneration standard excludes non-executive directors, appointed Auditors, responsible auditors. • Those whose primary role is risk and financial control (including Risk Management, Compliance, internal audit, financial control roles). • The Policy does not apply to remuneration for staff covered by Australian Mutual Bank Limited's EBA 2020-2021. • The remuneration of the Board must be approved by the Members in an Annual General Meeting before being effective.
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	<p>The Management Team is divided into :</p>	<table border="1"> <thead> <tr> <th data-bbox="539 209 857 277">The Management Team is divided into :</th> <th data-bbox="857 209 1671 277">Description</th> <th data-bbox="1671 209 1821 277">Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 277 857 381">Senior managers</td> <td data-bbox="857 277 1671 381">CEO, Deputy CEO, Executive Manager Operations, Executive Manager Finance, Chief Risk Officer, Executive Manager People and Executive Manager Brand</td> <td data-bbox="1671 277 1821 381">7</td> </tr> <tr> <td data-bbox="539 381 857 485">Risk and management personnel</td> <td data-bbox="857 381 1671 485">Internal Audit Manager (The Internal Audit Manager resigned on 21 May 2021).</td> <td data-bbox="1671 381 1821 485">1</td> </tr> <tr> <td data-bbox="539 485 857 553">Material risk-taker</td> <td data-bbox="857 485 1671 553">Persons subject to bonus or performance based remuneration</td> <td data-bbox="1671 485 1821 553">Nil</td> </tr> </tbody> </table>	The Management Team is divided into :	Description	Number	Senior managers	CEO, Deputy CEO, Executive Manager Operations, Executive Manager Finance, Chief Risk Officer, Executive Manager People and Executive Manager Brand	7	Risk and management personnel	Internal Audit Manager (The Internal Audit Manager resigned on 21 May 2021).	1	Material risk-taker	Persons subject to bonus or performance based remuneration	Nil
The Management Team is divided into :	Description	Number												
Senior managers	CEO, Deputy CEO, Executive Manager Operations, Executive Manager Finance, Chief Risk Officer, Executive Manager People and Executive Manager Brand	7												
Risk and management personnel	Internal Audit Manager (The Internal Audit Manager resigned on 21 May 2021).	1												
Material risk-taker	Persons subject to bonus or performance based remuneration	Nil												
(b)	<p>Information relating to the design and structure of remuneration processes.</p>	<p>The remuneration policy is established to oversee the remuneration of the senior managers of Australian Mutual Bank Ltd with the objective to ensure it is comparable to like organisations.</p> <p>The policy is reviewed annually and was last reviewed on the 12th May 2021. There were no material changes to the policy in the past year.</p> <p>The Management Team are remunerated principally by salary, which is evaluated by the Board Governance and Remuneration Committee to ensure that the reporting obligations are not compromised by financial incentives.</p>												
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes.</p>	<p>The policy seeks to ensure that quality employees are employed, and retained and are remunerated in accordance with their responsibilities and experience.</p> <p>The Board Governance and Remuneration Committee seeks the input from external remuneration consultants and applicable surveys to guide the committee on the appropriate remuneration for the senior management team.</p> <p>The Board Governance and Remuneration Committee assess the relevant remuneration on a case by case basis to ensure the remuneration reflects the skill and experience of the managers to meet the Board expectations and changes in the business proposed by the strategic plan.</p>												
(d)	<p>Description of the ways in which Australian Mutual Bank Ltd seeks to link performance during a performance measurement period with levels of remuneration.</p>	<p>The performance of Australian Mutual Bank Ltd is impacted by the market conditions at the time and by the level of adherence to policies of Australian Mutual Bank Ltd, so as to remain within the risk appetite of the Board.</p> <p>Australian Mutual Bank Ltd does not have a direct link between the performance and remuneration. The Board Governance and Remuneration Committee takes into account a combination of factors, such as financial performance in the economic environment, compliance with regulatory requirements and the results of member satisfaction feedback, in assessing the performance of the CEO and other senior managers in the bank.</p>												

e)	Description of the ways in which Australian Mutual Bank Ltd seeks to adjust remuneration to take account of longer-term performance.	<p>There are no specific measures taken to reward longer term performance. Remuneration is based on the salary agreed in consultation with the Senior Manager. There is no deferred remuneration arranged with the managers other than the employee statutory entitlements and award conditions as amended.</p> <p>A redundancy or termination payment will be negotiated with each employee as required and in consultation with the Board of Directors.</p>
(f)	Description of the different forms of variable remuneration that Australian Mutual Bank Ltd utilises and the rationale for using these different forms.	<p>The remuneration policy ensures that AMBL complies with Prudential Standards in relation to its remuneration arrangements and, in particular, that performance based components of remuneration encourage behaviour that supports AMBL's long-term financial soundness and its risk management framework.</p> <ul style="list-style-type: none"> • align with prudent risk-taking and incorporate adjustments to reflect: <ul style="list-style-type: none"> – the outcomes of business activities; – the risks of business activities including, where relevant, the cost of the associated capital; and – the time necessary for the outcomes of business activities to be reliably measured • do not compromise the independence of risk and financial control personnel. <p>Any performance bonus arrangements are discretionary and discussed at the Board level to reward exceptional performance where applicable.</p>

QUANTITATIVE DISCLOSURES

TABLE B	
<ul style="list-style-type: none"> • Number of meetings held by Board Governance and Remuneration Committee overseeing remuneration during the financial year and the remuneration paid to its members. 	<p>The Board Governance and Remuneration Committee has met 6 times during the financial year ending 30 June 2021. Total remuneration paid to members of the Committee for this period was \$221,622.</p>
<ul style="list-style-type: none"> • The number of employees having received a variable remuneration award during the financial year. 	<p>Nil</p>
<ul style="list-style-type: none"> • Number and total amount of guaranteed bonuses awarded during the financial year. 	<p>Nil</p>
<ul style="list-style-type: none"> • Number and total amount of sign-on awards made during the financial year. 	<p>Nil</p>
<ul style="list-style-type: none"> • Number and total amount of severance payments made during the financial year. 	<p>Nil</p>
<ul style="list-style-type: none"> • Total amount of outstanding deferred remuneration, (split into cash, shares and share-linked instruments and other forms.) 	<p>Nil</p>
<ul style="list-style-type: none"> • Total amount of deferred remuneration paid out in the year 	<p>Nil</p>

TABLE C SENIOR MANAGERS AND RISK PERSONNEL		
Total value of remuneration awards for the current financial year	Unrestricted	Deferred
Fixed remuneration		
• Cash-based	\$1,883,315	NIL
• Shares and share-linked instruments	NIL	NIL
• Other (Fringe benefits)	\$45,081	NIL
Variable remuneration		
• Cash-based	\$56,682	NIL
• Shares and share-linked instruments	NIL	NIL
• Other	NIL	NIL

TABLE D - MATERIAL RISK-TAKERS

There are no managers, employees or consultants that are substantially remunerated on a commission or incentive basis

TOTAL VALUE OF REMUNERATION AWARDS FOR THE CURRENT FINANCIAL YEAR	UNRESTRICTED	DEFERRED	UNRESTRICTED	DEFERRED
Fixed remuneration				
• Cash-based	NIL	NIL	NIL	NIL
• Shares and share-linked instruments	NIL	NIL	NIL	NIL
• Other	NIL	NIL	NIL	NIL
Variable remuneration				
• Cash-based	NIL	NIL	NIL	NIL
• Shares and share-linked instruments	NIL	NIL	NIL	NIL
• Other	NIL	NIL	NIL	NIL

Quantitative information about employees' exposure to implicit and explicit adjustments to incentives or performance based remuneration

	DEFERRED REMUNERATION	RETAINED REMUNERATION
• Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	NIL	NIL
• Total amount of reductions during the financial year due to ex post explicit adjustments.	NIL	NIL
• Total amount of reductions during the financial year due to ex post implicit adjustments	NIL	NIL