CPS 511 Remuneration Disclosure as at 30 June 2025

Overview

APRA Prudential Standard CPS 511 - *Remuneration* requires Authorised Deposit-Taking Institutions (ADI's) to make an annual disclosure regarding their remuneration practices. The Mac is required to make clear, comprehensive, meaningful, consistent and comparable public disclosure of information of its remuneration framework and practices.

In its capacity as a non-significant financial institution (non-SFI), The Mac is required to make remuneration disclosures in accordance with Prudential Standard CPS 511 – *Remuneration*. These disclosures must be published on its website as soon as practicable after lodging its annual financial statements with ASIC, and in any event no later than six months following the end of the financial year to which they relate.

Governance of the Remuneration Framework

The Board is ultimately responsible for The Mac's remuneration framework and its application. The Board has appointed an Executive (Remuneration) Committee (the Committee) to oversee the framework and ensuring its ongoing effectiveness and compliance with prudential standards. The Committee is comprised of at least three non-executive directors and held one (1) meeting during the financial year ended 30 June 2025.

The Board considers recommendations from both management and the Committee as well as The Mac's overall business performance when exercising its discretion over remuneration outcomes.

Oversight of the remuneration policies is conducted by the Board, with input from the Executive (Remuneration) Committee, and Executive Management including the Chief Risk Officer.

The Mac has implemented a remuneration framework designed to align remuneration practices with its values as a member-owned organisation, support the delivery of its corporate strategy, and ensure full compliance with applicable regulatory requirements.

The Mac's remuneration policies apply to all employees and are designed to:

- Attract and retain employees with the necessary skills and motivation to perform at an outstanding level, hence supporting strategic goals & objectives
- Aligns with the Board approved forecast and strategic objectives
- Promote the effective management of financial and non-financial risks, sustainable performance and long-term soundness.
- Support the prevention and mitigation of conduct risk.

Remuneration Policy

The Mac's remuneration model is based on a total remuneration package with employees remunerated with fixed remuneration only (cash based plus superannuation). This is reviewed annually and determined with reference to role responsibilities, market benchmarks, and individual performance.

The Mac does not offer variable remuneration to its employees. However, all staff remain accountable for effective risk management in accordance with the Board-approved Risk Management Framework. The Mac's risk culture and adherence to risk management practices are continuously monitored through management reporting to the Board, including regular key performance indicator (KPI) reporting and related risk metrics.

The following employees are identified as Senior Managers in accordance with paragraph 20 (v) CPS 511 Remuneration:

- Chief Executive Officer
- Chief Financial Officer

- Chief Operating Officer
- Chief Risk Officer
- Chief Strategy Officer

The Mac has no other employees it considers as material risk takers.

Consequence Management in the event of a material breach or misconduct is outlined by both the Code of Conduct & a series of Human Resource (HR) policies. These policies set out the range of disciplinary actions that may be taken, including a performance improvement plan, counselling sessions, formal warnings, suspension or termination of employment depending on the severity of the breach. The Policies ensure that consequences are fair, appropriate and applied consistently across the organisation.

Through these responsibilities, there is effective governance and oversight of The Mac's remuneration framework, ensuring that it remains fit-for-purpose and compliant with APRA's Prudential Standards-& specifically CPS 511.