

2025 AGM Explanatory Note

Agenda Item 5 – Remuneration of Directors

The Board has proposed the amount of \$257,330 as being the aggregate annual amount of remuneration payable to Directors for the period following the 2025 AGM. This aggregate annual amount represents a 6% increase on the aggregate annual amount of \$242,765 approved by Shareholders at the 2024 AGM.

In considering the proposed level of remuneration, the Board based their decision on:

- Information from benchmarking surveys indicates that BankWAW Director remuneration continues to remain below remuneration levels for mutual ADIs with a similar profile to BankWAW from a revenue, asset base and total customer numbers perspective, and that the gap between BankWAW Director remuneration and some of these benchmarks is increasing. The Board notes that this issue has been flagged with Shareholders at previous AGMs.
- The performance of the Board and organisation generally.
- The current economic environment being faced by our customers and wider stakeholder group more broadly.
- The outcome of the most recent annual remuneration reviews for staff.
- Changing strategic and operational demands being placed on the business including an increasingly complex regulatory and risk environment.
- Increases to the Superannuation Guarantee (SG) contribution to 12.00% from 1 July 2025.
- The number of Directors covered by this Resolution remains at seven (7).

This matter has been researched by the Board's Executive & Remuneration Committee and was put to the full Board for consideration prior to the Motion being presented to Shareholders at this year's AGM. The Board acknowledges that a 6% year on year increase is higher than previous periods; however, a change of this order is required to avoid gaps to benchmark widening further which may lead to the organisation being unduly constrained in recruiting appropriately skilled and experienced Directors in the future.

Note: Shareholders are required to approve a total amount of Director remuneration, with the allocation of this remuneration continuing to be at the Board's discretion in accordance with the Constitution and organisational policy.