

## 2024 AGM Explanatory Note

### Agenda Item 5 – Remuneration of Directors

The Board has proposed the amount of \$242,765 as being the aggregate annual amount of remuneration payable to Directors for the period following the 2024 AGM. This aggregate annual amount represents a 4% increase on the aggregate annual amount approved by Shareholders at the 2023 AGM of \$233,428.

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 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 11.50% from 1 July 2024 and 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 believes that a 4% increase is appropriate in the short term but has identified a need to continue to undertake benchmarking research to ensure that the organisation is not 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.