

Public Disclosure of Prudential Information in accordance with APRA Prudential Standard CPS 511

This report has been prepared by Traditional Credit Union Limited (the “Credit Union”) to meet its public disclosure requirements under the Australian Prudential Regulatory Authority (“APRA”) Prudential Standard CPS 511 *Remuneration* (“CPS 511”). As a non-significant financial institution (non-SFI), the Credit Union is required to disclose qualitative information about its remuneration framework, governance and practices.

Under APRA’s classification system, a non-SFI is an institution that does not meet the criteria for significant financial institutions, based on factors such as total assets, size, and complexity of operations. As a Non-SFI, the Credit Union is subject to tailored regulatory obligations designed to ensure sound governance and risk management, without the same level of detailed oversight required for larger institutions.

APRA is the prudential regulator of the Australian financial services industry. Its primary role is to promote financial system stability by establishing and enforcing prudential standards.

Qualitative disclosures

While retaining overall responsibility for the Credit Union’s remuneration framework and its effective application, the Board of Directors has established the Board Governance, Remuneration and Nomination Committee (the “Committee”) to oversee the implementation and ongoing review of the Remuneration Policy.

The Committee, which reports regularly to the Board, comprises, at a minimum, the Chairs of the Board, the Board Risk Committee, and the Board Audit & Finance Committee - all of whom are independent directors. The Board retains ultimate responsibility for remuneration decisions, while the Committee assists by overseeing the design, implementation, and review of the Remuneration Policy and associated governance. The Committee also makes recommendations to the Board on the individual remuneration of the Chief Executive Officer (CEO) and may make recommendations regarding the remuneration of other individuals who, in its view, could materially affect the financial soundness of the Credit Union. To support this function, the Committee may seek advice from both internal and external sources, including the Board Risk Committee and the Chief Risk Officer.

The Board sets Key Performance Indicators (KPIs) for the CEO in alignment with the Credit Union’s business plan, strategic objectives and risk management framework. The CEO has been delegated the responsibility for determining remuneration arrangements for employees and setting KPIs for the executive managers.

The Committee has reviewed the Credit Union’s remuneration structures and associated risks and considers the following individuals to be Responsible Persons, as defined in the Remuneration Policy and in line with CPS 511.

Responsible Persons (FY 2024/25 – Part Year Appointments where noted)

Name	Role	Status
Simon Lyons	Chief Executive Officer	Part-year
Anthony Hampton	Chief Executive Officer (prior)	Part-year
Alexandra Porrovecchio	Chief Risk Officer	Part-year
Jim Dracopoulos	Chief Financial Officer (full year); Company Secretary (part year)	Mixed (see role)

All Responsible Persons listed above were senior managers of the Credit Union during the reporting period. Senior Managers' remuneration comprises fixed components, including base salary and statutory superannuation contributions.

Under CPS 511, material risk takers are defined as individuals whose performance-based remuneration could materially affect the financial soundness of the Credit Union. For the period under review, no individuals have been identified as a material risk taker.

No variable remuneration was offered to any employees during the reporting period, and there is currently no intention to introduce variable remuneration arrangements in the near future. Notwithstanding this, all executive managers have clearly defined KPIs, and annual performance reviews are conducted to assess achievement against these KPIs. Performance outcomes are considered during salary review processes and contract renewal discussions.

Remuneration Policy

Objectives

The Remuneration Policy outlines the Credit Union's approach to setting and managing remuneration arrangements, including the structure of remuneration, governance oversight, and the individuals to whom the policy applies. The primary objectives of the policy are to:

- **Attract and retain capable and motivated employees** who demonstrate strategic vision, leadership, and the ability to support the sustainable growth and financial soundness of the Credit Union;
- **Promote behaviours aligned with long term financial soundness and effective risk management**, particularly in relation to any performance based or variable components of remuneration, should such arrangements be introduced in the future; and
- **Ensure remuneration practices remain compliant** with relevant corporate governance and prudential standards, including CPS 511, as applicable to non-SFIs.

Remuneration Arrangements

During the reporting period, six Directors received remuneration. The remaining Directors elected not to receive any remuneration.

The remuneration of Senior Managers, employees, and directly retained contractors consisted entirely of fixed components, comprising base salary and statutory superannuation contributions. No variable or performance-based remuneration was provided during the period.

Implementation and Review

The Board, through the Committee, is responsible for oversight of the remuneration framework and its implementation. The Policy and Charter were reviewed during the reporting period, with no material changes made.

Going forward, the Credit Union will review the Remuneration Policy annually to ensure its effectiveness and alignment with governance best practices. The Charter will be reviewed as required, considering any significant changes in governance or regulatory requirements. While no material external factors are anticipated to require changes in the near future, the Board will continue to monitor any relevant regulatory updates to ensure the policy remains compliant with applicable standards.

During the financial year ended 30 June 2025, the Board held four meetings, and the Committee also met four times.

Approval and Review

This Public Disclosure of Prudential Information has been reviewed and approved by the Board of Directors of Traditional Credit Union Limited. The report was approved on 30 August 2025.

The Remuneration Policy and related disclosures were reviewed by the Board Governance, Remuneration and Nomination Committee before being approved by the Board.