



CPS 511 Remuneration Disclosure

Introduction

This remuneration disclosure has been prepared in compliance with the Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 511 – Remuneration. As a Non-Significant Financial Institution (Non-SFI), SCCU is subject to streamlined qualitative disclosure requirements. This document details SCCU’s governance of remuneration, the design and structure of its remuneration framework, and the alignment of remuneration policies with SCCU’s strategic objectives and risk management practices, as required by CPS 511.

Scope

This disclosure covers SCCU’s remuneration practices and governance for the financial year ending 30 June 2025.

Governance of the Remuneration Framework

a) The Board is ultimately responsible for SCCU’s remuneration framework and its effective application. To oversee remuneration, the Board has established a Board Remuneration Committee that:

- Provides oversight of the design, implementation, and ongoing review of SCCU’s remuneration framework.
- Is structured to ensure independent, well-informed, and competent decision-making.
- Holds the authority required to effectively carry out its responsibilities.

The Board Remuneration Committee met once during the reporting period and does not receive additional compensation beyond standard director fees.

The Charter of the Remuneration Committee is detailed in SCCU’s Corporate Governance policy.



b) The Board exercises discretion in determining remuneration outcomes to:

- Adjust the variable remuneration downwards, to zero, if necessary, to respond to significant adverse unexpected or unintended consequences affecting SCCU.
- Adjust upwards the performance-based components of the remuneration if the overall performance of either SCCU or an individual significantly exceeds expectations.

c) The Board oversees remuneration policies, and the input provided by the Board Risk Committee, other Board Committees (including the Remuneration Committee) and the Risk Function, including the Chief Risk Officer.

Design and Structure of the Remuneration Framework

The remuneration framework aligns to SCCU's business plan, strategic objectives and risk management framework by providing attractive and flexible remuneration arrangements to ensure motivated and capable staff are attracted to, and retained by SCCU, and motivated to perform at an outstanding level hence supporting SCCU's strategic goals.

The framework promotes effective management of financial and non-financial risks, sustainable performance and long-term soundness via fixed and variable remuneration components that encourage behaviour supporting SCCU's long-term financial soundness and risk management.

Variable remuneration may be adjusted downwards to zero if necessary, based on factors including misconduct, failure of risk management, breach of compliance obligations, material errors, or adverse outcomes for customers.

SCCU's Remuneration Policy

a) Variable remuneration outcomes are aligned with performance through monitoring and assessment against business objectives and KPIs.

b) The Board approves the variable remuneration outcomes for employees in specified roles. The positions that have been identified as specified roles for the 2025 financial year for this disclosure were:



- Chief Executive Officer
- Chief Financial Officer
- Chief Risk Officer
- Chief Customer Officer

c) The CEO approves the overall variable remuneration outcomes for employees in all other roles. There are no other material risk takers other than those listed above.

d) Consequence management applies in cases of material breach or misconduct by adjusting variable remuneration downwards or withholding payment until investigations conclude.

e) Variable remuneration was available to all SCCU employees during the financial year.

f) Where no variable remuneration is offered, risk management outcomes are managed via SCCU's Risk Management Strategy and Code of Conduct. Consequence management is applied in the event of a material breach of SCCU's policies and/or misconduct.

g) SCCU's Board may defer and adjust variable remuneration to reflect long-term performance and risk considerations.