Bendigo Superannuation

Remuneration Disclosure

The following remuneration disclosure is for Bendigo Superannuation ("Company"). Bendigo Superannuation became the RSE Licensee of the Bendigo Superannuation Plan on 1 May 2022.

The Company is a Registrable Superannuation Entity ("RSE") and holds an RSE license. The disclosures are provided in accordance with the Superannuation Industry (Supervision) Act 1993 and Superannuation Legislation Amendment (MySuper Measures) Regulation 2013.

The Company is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (the "Bank"). The remuneration received by the executive directors and officers and non-executive directors is paid directly by the Bank. The respective remuneration arrangements are determined in accordance with the Bank's remuneration policy, the key features of which are set out in the Bank's 2023 Annual Financial Report.

Bendigo Superannuation Key Management Personnel

Name	Position	Term as KMP	Dates[1]
Non-Executive Directors			
Anthony Hodges	Chair & Non-executive Director	Full year	1 July 2022 – 30 June 2023
Mary Latham	Committee Chair & Non-executive Director	Full year	1 July 2022 – 30 June 2023
Gary Williams	Non-executive Director	Full year	1 July 2022 – 30 June 2023
Executive Director			
Paul Rohan	Program Director - HRIS	Full year	1 July 2022 – 30 June 2023
Executive Officer			
Justin Hoare	Head of Superannuation and Funds	Full year	1 July 2022 – 30 June 2023
Responsible Persons			
Richard Morice	Head of the Office of the Superannuation Trustee	Full year	1 July 2022 – 30 June 2023

Section 1. Executive remuneration

1.1 Fixed Base remuneration

Fixed base comprises cash salary, salary sacrifice and employer superannuation contributions.

1.2 Annual incentive

The annual incentive component is designed to provide an appropriate level of reward for the achievement of annual financial targets and business objectives and is set based on the executive's responsibilities and target remuneration mix.

An annual incentive component will only be awarded if an annual bonus pool is established. The annual bonus pool is dependent upon the organisation achieving a minimum annual result which is approved by the Board of the Bank at the start of the year. If the minimum level of cash earnings is not achieved, a bonus pool will not be established, and no awards will be made.

The bonus pool will increase with cash earnings performance above the threshold performance level, subject to the achievement of key financial and risk adjustment measures. The bonus pool is capped when our achieved results reach 110 percent of the cash earnings target. The Board also applies a discretionary overlay to take into account the underlying quality of the result and shareholder outcomes.

The Board of the Bank decides the bonus pool availability after financial year-end, on recommendation from the People, Culture and Transformation Committee.

Executive Directors, Officers and Responsible Persons are eligible to participate in the Group Bonus Plan. The performance objectives and measures for these employees under the bonus typically include:

a) Targets and measures determined by the Bank for the role set at a level which represents superior performance and include achievement of threshold financial targets;
b) Team performance and contribution to organisation and division success;
c) The passing of minimum gateway standards set for performance and contribution, values based behaviour and risk and compliance; and
d) Individual contribution to Bank, division and team success and the individual's performance in achieving and exceeding goals and work program for the year.

1.3 Long-term incentive ("LTI") (performance rights grants)

At the Board's discretion, executives may be invited to participate in annual grants of performance rights. The rights are granted at no cost, have no exercise price and each right represents an entitlement to one ordinary share.

The remuneration value of the grants is based on their role, and the number of rights granted is determined by dividing the face value of the LTI by the volume weighted average closing price of the Bank's shares for the last five trading days of the financial year prior to the year of the grant.

No long-term incentive performance rights were granted to Executives for FY23.

1.4 Common equity grant terms

Performance rights and deferred share rights grants are made in accordance with BEN's Omnibus Equity Plan rules. The terms of the Plan means that grants may be settled in either equity or cash at the Board's discretion to provide the Board with greater flexibility in settling equity incentive grants.

Performance rights and deferred share rights do not carry any dividend or other shareholder rights such as voting. The executives are prohibited from dealing in the performance rights or deferred share rights until they have been advised that the award has vested.

If an executive ends their employment or their employment ends because of an act which constitutes serious misconduct, the award will be forfeited on the executive's last day of employment unless, in the case of resignation, exceptional circumstances apply, and the Board decides to vest some or all the rights.

If an executive's employment ends because of death, disability, redundancy, or any other reason approved by the Board, the award will continue to be held as if the executive's employment has not ended, and the service condition will be treated as waived, unless the Board decides otherwise. If the Board does decide otherwise, it may determine that some or all of the rights are forfeited, which would occur on the last day of employment.

The Board has discretion under the Plan rules to vest all or a specified number of rights if there is a takeover, compromise, scheme of arrangement or merger. Matters the Board may take into account include the Group's pro-rata performance against the performance conditions and the individual's performance.

Under the rules of the Plan the Board has discretion to satisfy vested awards by either issuing new shares or acquiring shares on-market although shares are typically acquired on-market.

1.5 Risk adjustment and remuneration consequences

The Bank is committed to effective remuneration practices that reward performance in a manner that is appropriate and consistent with shareholder and regulatory expectations, including the requirements under APRA Prudential Standard CPS 511 Remuneration and the Banking Executive Accountability Regime (BEAR).

The Clawback and Malus Policy sets out some of the circumstances in which the Board may seek to reduce or recoup "at risk" remuneration (whether vested or unvested) or take other actions to ensure remuneration outcomes are appropriate in light of all the circumstances, including those which arise or come to light after "at risk" remuneration has been granted or delivered. The policy applies to all employees of any Group Company who receive "at risk" remuneration, meaning the portion of an employee's remuneration that is subject to performance conditions, vesting conditions or a real risk of forfeiture. It includes all variable remuneration, one-off or special incentive arrangements in place, provided in cash or equity.

Considering the provisions of the Clawback and Malus Policy, the Board has discretion, having regard to the recommendations of the Committee, to adjust variable remuneration (including the short-term incentive and equity incentives) to reflect the following:

a. The outcomes of business activities.
b. The risks, including non-financial risks, related to the business activities taking into account, where relevant, the cost of the associated capital. The time necessary for the outcomes of those business activities to be reliably measured.

This includes adjusting performance-based components of remuneration downwards, to zero if appropriate, in relation to particular persons or classes of persons, if such adjustments are necessary to:

- Protect the financial soundness of the regulated institution; or
- Respond to significant unexpected or unintended consequences that were not foreseen by the Board.

In these circumstances, this may involve the Board deciding, having regard to the recommendation of the Committee, to clawback a short-term incentive award or equity incentives during the deferral period. This may include the deferred component and the awarded or granted component.

The Board also has discretion to adjust positively in cases where the organisation has mitigated high-risk events and demonstrated a successful risk culture. The accountability obligations for accountable persons are outlined in the Bank's BEAR Policy. As outlined in the BEAR Policy, the Board may determine that the accountable person has breached their accountability obligations. If the Board makes such a determination, the Bank may not pay some or all of the accountable person's variable remuneration, including deferred remuneration, as it sees fit.

1.6 Hedging and margin loan restrictions

The Remuneration Policy mandates that Executives, and their closely related parties, may not enter into a transaction designed to remove the at-risk element of equity-based pay before it has vested, or while it is subject to a trading restriction. The restriction is contained in the Remuneration Policy. The Bank treats compliance with the requirement as important and at the end of each year requires the individuals to confirm they have complied with the restriction. If the restriction is breached the individual will forfeit all equity-based remuneration that is subject to the prohibition at the time of the breach.

The Bank's Trading Policy also prohibits Executive KMP from using the Bank's securities as collateral in any margin loan arrangements Non-executive Director remuneration

The remuneration of Non-executive Directors is based on the following principles and arrangements. There is no direct link between Non-executive Director fees and the annual results of the Group. Non-executive Directors do not receive bonuses or incentive payments, nor receive any equity-based pay.

The Bank's People, Culture and Transformation Committee (the "Committee") recommends to the Board of the Bank the remuneration for Non-executive Directors. The base fee is reviewed annually by the Committee and the following considerations are taken into account in setting the base fee:

a) The scope of responsibilities of Non-executive Directors and time commitments. This includes consideration of significant changes within the industry which may impact director responsibilities, at both the Board of the Bank and committee level.
b) Fees paid by peer companies and companies of similar market capitalisation and complexity, including survey data and peer analysis to understand the level of director fees paid in the market, particularly in the superannuation and finance sector.

Non-executive Directors receive a fixed annual fee inclusive of superannuation contributions at 10.5 percent. In relation to superannuation contributions, Non-executive Directors can elect to receive amounts above the maximum contributions limit as cash or additional superannuation contributions.

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Table 1: Non-Executive Director Remuneration

The table below outlines fees paid to Non-executive Directors for the full financial years 2023 and 2022 unless stated otherwise in relation to their service on the Bendigo Superannuation Board.

Non-executive Director		Short Term Benefits		Post-employment Benefits	Total
		Fees	Non-monetary Benefits	Superannuation Contributions[1]	
		$	$	$	$
Anthony Hodges	**2023**	**85,000**	-	**8,925**	**93,925**
	2022	14,000	-	1,421	15,626
Mary Latham	**2023**	**50,000**	-	**5,250**	**55,250**
	2022	8,000	-	836	9,192
Gary Williams	**2023**	**32,000**	**18,000**	**5,250**	**55,250**
	2022	8,000	-	836	9,192
Total	**2023**	**167,000**	**18,000**	**19,425**	**204,425**
	2022	30,000	-	3,092	34,010

1. Represents company superannuation contributions made on behalf of Bendigo Superannuation Non-executive Directors.

Section 2. Executive remuneration

Table 2: Executive remuneration

The table below outlines the remuneration paid to Executives for the full financial years 2023 and 2022. The amounts are based on the estimated percentage of time allocated to the Company's business and operations.

Executive		Short-term Employee Benefits			Super annuation[4]	Other long-term benefits[5]	Share Based Payments[6]	Total $'000
		Cash Salary[1]	Cash Bonus[2]	Non-monetary benefits, allowances[3]			Rights[7]	
		$	$	$	$	$	$	$
Justin Hoare	**2023**	**107,384**	**11,124**	**955**	**10,246**	**(631)**	**3,738**	**132,816**
	2022	$16,463	$1,671	$53	$1,662	$171	-	$20,020
Richard Morice	**2023**	**178,491**	**9,216**	**-**	**22,189**	**(1,879)**	**6,198**	**214,215**
	2022	-	-	-	-	-	-	-
Paul Rohan	**2023**	**16,497**	**2,039**	**-**	**1,473**	**(41)**	**553**	**20,521**
	2022	$10,499	$588	$274	$793	$178	$235	$12,567
Total	**2023**	**302,372**	**22,379**	**955**	**33,908**	**(2,551)**	**10,489**	**367,552**
	2022[8]	$26,962	$2,259	$327	$2,455	$349	$235	$32,587

1. Cash salary amounts include the net movement in annual leave accrual for the year.
2. The cash bonus represents amounts issued under the Group Bonus Plan for the financial year which is expected to be paid in September, deferred equity will be granted in September 2023 and amounts are provided in table 3.
3. Non-monetary benefits and allowances relate to sacrifice components of salary such as motor vehicle costs.
4. Represents company superannuation contributions made on behalf of Bendigo Superannuation Executives. Company superannuation contributions form part of fixed base remuneration and are paid up to the statutory maximum contributions base.
5. The amounts disclosed relate to movements in long service leave entitlement accruals, and any cashing out of long service leave entitlements.
6. In accordance with the requirements of Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments is calculated as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual participants may ultimately realise should the equity instruments vest.
7. The fair value of performance shares as at the grant date has been calculated under AASB 2 Related Party Disclosures applying a Black-Scholes-Merton valuation method I to estimate the probability of the number of rights that may vest. The assumptions underpinning these valuations are set out in table 4. Amounts shown represent the fair value of rights that were granted in prior years, amortised over the applicable vesting period.
8. Amounts shown for financial year 2022 are captured for the period 1 May – 30 June 2022, for the period Bendigo Superannuation became the RSE Licensee of the Bendigo Superannuation Plan.

No termination payments were paid to Non-executive Directors or Executives in FY23.

Table 3: FY23 Bonus payment

Short term incentives were paid to Bendigo Superannuation Executives in relation to FY23 and as detailed in the Bendigo and Adelaide Banks FY23 Annual Financial Report.

Outcomes are provided in the table below and amounts provided are based on the estimated percentage of time allocated to the Company's business and operations and are captured from 1 July 2022 – 30 June 2023.

Executive	STI outcome awarded[1]
Justin Hoare	$27,810
Richard Morice	$36,854
Paul Rohan[2]	$4,078

1. Bonus amounts are subject to the achievement of financial and non-financial measures.
2. STI outcome will be delivered 50% in cash and 50% in deferred equity that vests after a further one-year.

Table 4: FY23 awards granted

The table below sets out the number and value of awards granted to executives by the Bank during FY23. It also includes details of instruments granted in prior years that vested or were forfeited or lapsed during the year. The amounts are based on the estimated percentage of time allocated to the Company's business and operations.

Long-term incentive performance rights were not granted to Executives during the financial year.

Executive	Instrument	Grant date	Units granted	Value at grant[1]	Units vested/ released	Value at vest[2]	Units forfeited / lapsed	Forfeited /lapse value
			#	$	#	$	#	$
Justin Hoare	Deferred share rights	14.10.2022	978	7,475	-	-	-	-
Richard Morice	Deferred share rights	14.10.2022	1,622	12,396	-	-	-	-
Paul Rohan	Deferred share rights	17.12.2019	-	-	517	4,219	-	-
	Deferred share rights	14.10.2022	144	1,107	-	-	-	-

1. The price used to calculate all right awards is the fair value on the grant date. Refer to table 6 for valuation details.
2. The value of each award on the date it vests is calculated using the fair value on the date of grant.

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Table 5: Award movements in FY23

The movement in participants' (including their related parties) holdings for FY23 are provided below. The amounts are based on the estimated percentage of time allocated to the Company's business and operations.

Executive	Instrument[1]	Balance at 1 July 2022	Units granted	Units vested	Units lapsed/ forfeited	Net change other	Balance at 30 June 2023
Justin Hoare	Ordinary shares	143	-	-	-	-	143
	Deferred share rights	-	978	-	-	-	978
Richard Morice	Ordinary shares	5,504	-	-	-	-	5,504
	Deferred share rights	-	1,622	-	-	-	1,622
Paul Rohan	Ordinary shares	2,278	-	-	-	36	2,314
	Performance Rights	-	144	-	-	-	144

1. None of the equity holdings are held nominally.

Table 6: Award valuations

The following tables summarise the award valuation inputs for each instrument issued by the Bank during the year.

Long-term incentive performance rights were not granted to Executives during the financial year.

	Terms and conditions of grant								
Instrument	**Grant date**	**Fair value[1] $**	**Share Price $**	**Exercise price**	**Risk-free interest rate**	**Dividend yield**	**Expected volatility**	**Expected life**	**Performance period end / expiry date[2]**
Deferred share rights	14.10.2022	7.641	8.58	-	3.62%	6.177%	27.597%	2 years	30.06.2024

1. The fair value is calculated as at grant date in accordance with AASB 2 Share-based Payments using an independent valuation.
2. The Board will test the performance condition as soon as practical after year end. Any performance rights that do not vest will lapse at 5.00pm on the date the Board makes its decision on what performance rights vest or lapse.

Table 7: Executive employment agreements

The remuneration and other terms of employment for executives are contained in contracts. The material terms of the contracts for the executives of Bendigo Superannuation at the date of this report are set out below.

Issue	Description	Applies to
What is the duration of the contracts?	On-going until notice is given by either party.	All executives
What notice must be provided by the executive director and officer to end the contract without cause?	4 weeks' notice. No notice period required if material change in duties or responsibilities.	All executives
What notice must be provided by the Bank to end the contract without cause?[1]	4 weeks' notice or payment in lieu	All executives
What payments must be made by the Bank for ending the contract without cause?[1]	In the event of a redundancy, the terms of the Group's redundancy policy will apply.	All executives
What are notice and payment requirements if the Bank ends the contract for cause?	Termination for cause does not require a notice period. Payment of pro-rata gross salary and benefits (including payment of accrued / unused leave entitlements) is required to date of termination.	All executives
Are there any post-employment restraints?	No.	All executives

1. In certain circumstances, such as a material diminution of responsibility, the Bank may be deemed to have ended the employment of an executive and will be liable to pay a termination benefit as outlined at the row titled "What payments must be made by the Bank for ending the contract without cause".