

Indue Ltd Remuneration Disclosure Statement.

FY2025



indue

Public Disclosure Statement CPS 511 Remuneration

Reporting Period: 1 July 2024 to 30 June 2025

Entity: Indue Limited (Indue)

Overview

Australian Prudential Regulation Authority's (APRA) Prudential Standard CPS 511 Remuneration (CPS 511), requires Authorised Deposit Taking Institutions (ADIs) which are governed under the *Banking Act 1959 (Cth)* to undertake annual disclosure regarding their remuneration practices.

This Public Disclosure Statement has been prepared by Indue in accordance with the requirements of non-SFIs under CPS 511 for the financial year ended 30 June 2025 and information within this document applies for the financial year ended 30 June 2025.

Board Oversight and Governance of Indue's Remuneration Framework

Indue's remuneration governance is overseen by the Board, and supported by the Governance, Remuneration and Nominations (GRN) Committee, being a formal Board Sub-Committee. The GRN Committee reviews input provided by the Chief Executive Officer, Chief People & Culture Officer and the Risk Committee and makes recommendations to the Board to approve key governance elements including:

- Annual review and endorsement of the Remuneration Framework and Policy.
- Annually review the effectiveness and compliance of the Remuneration Policy and Remuneration Framework.
- Oversight of the annual aggregate incentive pool, and subsequent remuneration outcomes for Directors, CEO and Executive Leadership Team, and other Specified Roles (as outlined in CPS511). Recommendations are then submitted to the Board for approval.
- Making risk-based adjustments to remuneration via the Risk Gateway process, with input by the Board Risk Committee.

In accordance with Prudential Standard 511 – Remuneration, the GRN Committee also oversees the structure of remuneration, for risk and financial control personnel, including performance-based components, to ensure that these individuals are not compromised in carrying out their functions independently.

During the reporting period the GRN Committee met on 4 occasions.

Remuneration Design and Structure

Indue's remuneration arrangements are governed by a Board-approved Remuneration Framework and Remuneration Policy. These arrangements promote prudent risk-taking, reinforce a high-performance culture aligned to Indue's strategic objectives and comply with the APRA Prudential Standard CPS 511 Remuneration. The Indue Board are committed to a framework that:

- Is appropriate for the size and complexity of Indue's business;
- Supports balanced and informed risk taking, aligned with strategic and business plans;
- Meets prudential and legal requirements;
- Promotes confidence amongst Indue's shareholders, customers, regulators, and the market.

The Remuneration Policy, which forms part of the Remuneration Framework, aims to:

- Facilitate the effective management of both financial and non-financial risks, sustainable performance and Indue's long term soundness.
- Align remuneration outcomes with performance and risk outcomes.
- Support the prevention and mitigation of Conduct Risk.
- Provide the Board with full discretion on the payment of incentive arrangements.

Indue's Remuneration Framework covers:

- The structure and terms of remuneration arrangements;
- The process for mitigating material conflicts from compensation arrangements with any third-party service providers, and operational systems and processes;
- The roles and responsibilities of persons involved in assessing and managing Indue's obligations in respect to compliance with CPS 511;
- Indue's risk gateway assessment process and assessment;
- The structure of reviewing and approving changes to Indue's Remuneration Policy and other documents which form part of this Remuneration Framework.

Indue's Remuneration Framework promotes the effective management of both financial and non-financial risks, sustainable performance and Indue's long term soundness, and supports the prevention and mitigation of Conduct Risk. The Framework applies to all employees, Directors, Executives and contractors. It supports sustainable performance and the effective management of financial and non-financial risks.

Annually, the corporate objectives of Indue are approved by the Board having regard to Indue's business plan, strategic objectives and risk management framework.

Remuneration Structure

The key components of the Remuneration Policy include:

- Fixed Annual Reward (FAR): Base salary plus superannuation.
- Short-Term Incentive (STI): "At risk" component based on performance and company outcomes. Offered to all employees who meet eligibility criteria.

- Long-Term Incentive (LTI): "At risk" component deferred over an extended timeframe for strategic and senior roles. Offered to certain individuals whose positions are assessed as being of strategic importance to Indue. The LTI program invitations are reviewed annually.

Special controls are in place for Specified Roles to limit the proportion of variable remuneration and protect independence including remuneration adjustment tools which include deferred remuneration subject to malus or forfeiture where required.

Remuneration structure is designed to:

- Align with financial and non-financial risk outcomes;
- Support the prevention and mitigation of Conduct Risk;
- Reinforce a high-performance culture with prudent risk management;
- Allow the application of variable remuneration to be adjusted due to misconduct, significant failures and significant adverse outcomes for customers, beneficiaries or counterparties.

Executive Committee Remuneration

The Executive Committee comprises the Chief Executive Officer and the Executives who report directly to the CEO.

Remuneration packages include a Fixed Annual Remuneration (FAR) component, eligibility for a Short-Term incentive (STI), and, where appropriate, potential access to a Long-Term Incentive (LTI).

Remuneration arrangements are reviewed annually to ensure they remain fit for purpose and are underpinned by the following principles:

- Clearly defined performance measures and targets that promote sustainable performance and ethical, accountable leadership;
- Performance evaluations that consider both individual contributions and overall company outcomes;
- External market benchmarking and, where appropriate, independent remuneration advice to maintain competitiveness and alignment with industry standards.

Remuneration Outcomes

Risk Adjustments to Remuneration

Indue embeds risk considerations directly into performance assessments and remuneration outcomes through its Risk Gateway process. The Board Risk Committee assesses Indue's risk culture, material risk events, and regulatory compliance before remuneration decisions are finalised.

Remuneration may be reduced if:

- There is a Significant Risk Event, misconduct, or material failure of risk management;
- The individuals' performance does not meet Indue's Conduct Risk standards;

- The financial soundness of Indue would be materially impacted.

Risk adjustments can apply to both current and deferred variable remuneration. The Board has full discretion on the payment of incentive arrangements.

Performance Assessment Process

Corporate Objectives are set annually by the Board, linked to Indue's strategic goals and risk appetite. Performance against objectives are measured through a balanced scorecard approach, covering financial performance, customer outcomes, people and culture, risk management, growth, efficiency, availability and conduct.

Individual performance is assessed annually against objectives for the purpose of making remuneration decisions.

Determining Variable Remuneration

Variable remuneration including STI and LTI's are intended to identify, encourage and reward high performance, company-aligned behaviour and prudent decision making relative to the company's risk appetite, culture and values. It is also intended to create and reinforce a clear link between risk and reward, particularly where new and ongoing business activities have the potential to impact the company's financial soundness, shareholder value and/or risk profile. Variable remuneration outcomes are based on the following:

1. Achievement of individual objectives;
2. Contribution to Indue's strategic and risk outcomes;
3. Assessment against the Risk Gateway and risk culture indicators.

No STI or LTI is paid where individuals have not met expectations or are subject to material conduct investigations.