

# Prudential Standard CPS 511 Annual Remuneration Disclosures

As at 31 December 2025

The following remuneration disclosures have been prepared in accordance with the Australian Prudential Regulation Authority's (APRA's) remuneration requirements under Prudential Standard CPS 511 Remuneration (CPS 511). The Prudential Standard requires APRA-regulated entities to make clear, comprehensive, meaningful, consistent and comparable public disclosure of information on their remuneration framework and practices.

These disclosures must be undertaken on a financial year basis for each full financial year of the APRA-regulated entity. In relation to Rabobank Australia Limited (RBAL) and Rabobank Australia Branch (RBAB), jointly referred to as Rabobank Australia, disclosures are undertaken from the period 1 January to 31 December. This is referred to as a 'Performance Year' for the purposes of remuneration and performance-related practices.

## Governance of the Remuneration Framework

The remuneration practices of Rabobank Australia are governed, under delegation, by the Board People & Remuneration Committee of RBAL and the Senior Officer Outside Australia (SOOA) with respect to RBAB.

The Board People & Remuneration Committee is governed by a written Charter, which is required to be reviewed by the Board of RBAL (the Board) at least biennially. The current Charter was approved by the Board on 1 November 2025.

Under the Charter, the Board People & Remuneration Committee must consist of a minimum of three members (including the Committee Chair), all of whom must be non-executive directors of RBAL and a majority of whom must be independent. At least one member must also be a member of the Board Risk & Compliance Committee. The SOOA of RBAB must also be a member of the Committee. The Chair must be an independent non-executive director appointed by the Board.

The composition of the Board People & Remuneration Committee during 2025 was as follows:

- Mr James Fazzino – Chair, Independent Non-Executive Director;
- Mr Geerten Battjes – Non-Independent Non-Executive Director and Senior Officer Outside Australia;
- Ms Caroline Colley – Independent Non-Executive Director (April to December 2025);
- Ms Christine Feldmanis - Independent Non-Executive Director;
- Mr Clive Stiff - Independent Non-Executive Director; and
- Ms Angelique Meddeler – Non-Independent Non-Executive Director.

The Board People & Remuneration Committee is required to meet at least twice per Performance Year and met four times during 2025.

The Board People & Remuneration Committee aims to support and advise the Board in fulfilling its oversight responsibility for all remuneration matters by ensuring that Rabobank Australia has a remuneration framework, policies and practices that:

- Are reasonable, fair, and in line with current governance, legal and regulatory requirements, the Financial Accountability Regime (FAR), and shareholder expectations;
- Meet the needs of Rabobank Australia and its commitment to cooperative values, stakeholders, communities and environment in which it operates, and the expectations and requirements of regulators;
- Responsibly reward employees for performance;
- Enable Rabobank Australia to attract, retain and motivate employees who provide services to create value for shareholders within an appropriate risk management framework, by providing remuneration that is equitable and externally competitive; and
- In respect of Variable Remuneration, encourage behaviour that supports the long-term financial soundness and risk management framework of Rabobank Australia, and aligns with prudent risk-taking.

With this in mind and informed by regular reporting and discussion with management, the Board People & Remuneration Committee reviews and makes recommendations to the Board in relation to:

- Rabobank Australia's remuneration framework, as articulated in the Local Policy on Remuneration, and remuneration strategy;
- The design and implementation of the remuneration structures, including the Rabobank Australia Discretionary Variable Remuneration Scheme and sub-plans;
- The contractual and remuneration arrangements for employees in Specified Roles, including financial and non-

financial performance measures and targets, Fixed and Variable Remuneration arrangements, superannuation, and termination compensation;

- The Variable Remuneration outcomes for employees in Specified Roles, having regard to performance, including where the application of consequence management may be necessary or appropriate;
- The performance of employees in Specified Roles;
- Succession planning for the CEO, Rabobank Australia, Accountable Persons and Senior Managers;
- The principles and framework for consequence management and monitoring of adverse conduct and risk events, including disciplinary processes; and
- Non-remuneration-related policies and practices, such as those relating to Fit & Proper, Diversity, Equity & Inclusion, and the FAR.

In addition, the Board People & Remuneration Committee will commission independent triennial review of the effectiveness of Rabobank Australia's remuneration framework, as required under CPS 511, and take appropriate action to ensure any findings of this, and any other reviews, are considered and addressed by management.

In order to discharge its responsibilities, the Board People & Remuneration Committee will consult with the Board Risk & Compliance Committee and the Group Executive, Chief Risk Officer to enable risk outcomes to be appropriately reflected in remuneration outcomes for employees in Specified Roles, and to determine matters specific to risk-adjusted remuneration measures.

Each Performance Year, an Annual Risk Assessment is conducted by the Group Executive, Chief Risk Officer for Senior Managers (on an individual basis), Material Risk-Takers (on a cohort basis), and Risk & Financial Control Personnel (on a cohort basis). This process includes assessment of performance against role-specific qualitative and quantitative non-financial risk measures, including those relating to risk culture and leadership; risk strategy and appetite; findings and incident management; and the obligations, risk and control environment. The outcomes of the Annual Risk Assessment are discussed with the Board People & Remuneration Committee in the lead-up to the annual Compensation Review process, with input from the Chief Audit Officer, and inform the determination of Performance Ratings and the award of Variable Remuneration for the relevant Performance Year for those in Specified Roles.

The Board People & Remuneration Committee also consults with the Group Executive, Chief Risk Officer in relation to other risk-related matters regarding remuneration throughout the Performance Year as appropriate, including matters relating to consequence management and strengthening of risk culture.

During 2025, following approval by the RBAL Board and the SOOA as a result of holistic review of the Variable Remuneration framework, incremental increases in the Variable Remuneration pool funding percentages for the Variable Incentive Plan for Rural & Support and the Structured Bonus Plan for the regional Executive Team were implemented. These changes were aimed at addressing underfunding of the plans for current levels of Variable Remuneration opportunity arising from global changes in Variable Remuneration pool calculation methodology.

Several changes were also made to the Local Policy on Remuneration for compliance with legislative and regulatory requirements, including:

- Clarification of eligibility rules for out-of-cycle and annual Fixed Remuneration increases, aligning with local and global practice;
- Refinement of the treatment of ex-gratia payments in relation to the circumstances in which they are not to be considered a form of Variable Remuneration;
- Consolidation of annual remuneration disclosure requirements into a dedicated standalone section;
- Addition of reference to the individual 'Development' goal required under the GROW performance management framework;
- Introduction of additional definitions to improve clarity and consistency across policies; and
- Minor changes and refinements to streamline the Local Policy on Remuneration and increase the level of readability and consistency with internal terminology, without changing the content.

In 2025, in consultation with the Board People & Remuneration Committee, the Human Resources team engaged the services of KPMG to undertake the independent triennial effectiveness review of the remuneration framework of Rabobank Australia which addressed:

- Whether the remuneration framework aligns with strategic objectives and the risk management framework, promotes effective management of both financial and non-financial risks, sustainable performance and long-term financial soundness; and supports the prevention and mitigation of conduct risk;
- Whether the remuneration framework and its elements are operating as intended;
- Whether the design of the remuneration framework is appropriate and fit for purpose; and
- The alignment of remuneration outcomes with the performance and risk outcomes achieved.

As part of this review, KPMG conducted a comprehensive assessment of Rabobank Australia's remuneration framework, including desktop reviews of reward, performance and consequence management policies, structures and processes, as well as interviews with key management and RBAL stakeholders.

The results of this review were presented to the Board People & Remuneration Committee in Q1 2026.

## **Remuneration Framework**

A Local Policy on Remuneration is in place for Rabobank Australia. It applies to all Australian employees employed by RBAL and RBAB, including Executive Directors, Senior Managers, Material Risk-Takers and Risk & Financial Control Personnel who are residents in Australia.

Whilst the Board and SOOA retain ultimate responsibility for Rabobank Australia's remuneration policy, framework and practices, as a foreign-owned subsidiary, Rabobank Australia will also seek appropriate alignment with any broader policies that are applicable to Rabobank Group. To that end, Rabobank Australia will adopt the Global Policy on Remuneration and associated practices that comply with local legislation and regulations, after providing consideration to prevailing local market conditions.

In the event of a required or proposed material departure from the Global Policy due to local legislation, prudential regulations or market conditions, consultation will be undertaken with the relevant global boards and/or committees to establish locally compliant policy and/or practice that aligns as closely as practicable with the Global Policy. This may include conducting an assessment of the departure from the Global Policy against Rabobank Group's overall governance structure and risk-mitigation systems as applicable.

The Local Policy on Remuneration sets out general guidelines regarding the local remuneration objectives, structures and practices of Rabobank Australia, and is intended to:

- promote Rabobank Australia's business strategy for attracting and retaining appropriately-skilled and well-qualified employees;
- integrate remuneration into Rabobank Australia's risk management systems, thereby ensuring that remuneration practices support Rabobank Australia's desired risk profile; and
- demonstrate fairness in the remuneration decision-making process.

Rabobank Australia intends to achieve this through a remuneration framework that:

- engenders a culture of long-term commitment to Treating Clients Fairly and placing the client at the heart of Rabobank Australia's operations;
- encourages behaviour that supports customer-focused outcomes, long-term financial soundness and Rabobank Australia's risk management framework;
- fosters a performance-oriented culture that aims to achieve an optimal balance between quantitative and qualitative aspects of performance, as determined by each line of business or location within Rabobank Australia's operations;
- enables Rabobank Australia to attract, retain and motivate appropriately-skilled and well-qualified people;
- rewards decisions and outcomes that support business strategy and the interests of Rabobank Australia's customers;
- supports the achievement and maintenance of sustainable business costs in the short and longer term; and
- are sufficiently flexible to allow for management of employees to meet business needs, whilst remaining compliant with applicable legislation, and prudential regulation.

The structure of remuneration under the Local Policy on Remuneration is comprised of two components: Fixed Remuneration and Variable Remuneration.

### Fixed Remuneration

The Fixed Remuneration or Total Employment Cost (TEC) for each position is directly related to an assessment of the size and scope of the position and the prevailing market rates. Regularly and periodically paid, it is independent of performance and does not incentivise risk-taking.

An employee's TEC is comprised of Base Salary and Superannuation Guarantee Charge (SGC) contributions and may include other fixed components such as allowances. Employees may also choose to engage in salary packaging.

### Variable Remuneration

Employees of Rabobank Australia may also be eligible for Variable Remuneration, which is remuneration in the form of additional payments or benefits that are dependent on performance or the achievement of other objectives.

Variable Remuneration may be provided in the form of an award as part of the Rabobank Australia Discretionary Variable Remuneration Scheme, or as a one-off award follows:

- Sign-On Bonus, aimed at attracting new talent for senior and critical roles and compensating for loss of in-period Variable Remuneration from a prior employer;
- Buy-Out, aimed at attracting new talent for senior and critical roles and compensating for loss of deferred Variable Remuneration from a prior employer; and
- Retention Bonus, aimed at retaining talent during a lasting period of organisational change, such as restructuring and reorganisation.

Further details on the Rabobank Australia Discretionary Variable Remuneration Scheme are outlined below.

### Specified Roles

The Local Procedure on Identification of Specified Roles sets out the process by which Rabobank Australia identifies positions which are classified as Specified Roles under CPS 511. Those roles classified as Executive Directors, Senior Managers, Material Risk-Takers and Risk & Financial Control Personnel are approved by the Board and SOOA on the recommendation of the Board People & Remuneration Committee on an annual basis in the lead-up to each new Performance Year.

The Chief Executive Officer, Rabobank Australia and the SOOA are classified as Executive Directors of Rabobank Australia for the purposes of CPS 511.

Positions identified as **Senior Managers** are consistent with those that have met the classification criteria of Responsible Persons under *Prudential Standard CPS 520 Fit & Proper* (CPS 520). These positions make decisions that affect the whole (or significant part) of Rabobank Australia and have the capacity to materially affect the organisation's financial standing through responsibility for the implementation and enforcement of policies and strategies, the development and implementation of risk management systems and frameworks, and/or the monitoring of the appropriateness, adequacy and effectiveness of those risk management systems and frameworks. For Rabobank Australia, these positions include all Accountable Persons under the FAR, as well as a number of other executive and senior management roles with cascaded accountability within the Risk Management and Legal functions.

**Material Risk-Takers** are those identified as whose activities have a material impact on Rabobank Australia's risk profile, performance and long-term soundness. For Rabobank Australia, other than those already classified as Senior Managers, these are:

- Roles that are registered as Responsible Managers with the Australian Securities & Investments Commission (ASIC) from an Australian Credit Licence (ACL) and Australian Financial Services Licence (AFSL) perspective;
- Roles identified due to their criticality to customer, product and operational delivery for core business areas of Rabobank

Australia, and/or their potential to impact the reputation, clients, financial position, and regulatory standing. These are typically those who have cascaded accountability for revenue-generating or operational functions within the Country Banking, Wholesale Banking and COO Domain divisions and the Treasury department; and

- Any other direct reports to the CEO, Rabobank Australia, excluding support roles.

No employees were classified as a Highly-Paid Material Risk Taker under CPS 511 for the 2025 Performance Year.

**Risk & Financial Control Personnel** are identified as all those whose primary role is in relation to risk management, compliance, audit and finance for Rabobank Australia, excluding support roles. This includes Risk Champions and other 1st Line roles whose primary duties have a risk management and/or compliance focus.

## Remuneration & Performance Management

### Company Performance

Rabobank Australia's strategic objectives and Key Performance Indicators (KPIs) are cascaded down to influence divisional and departmental KPIs and, in turn, the performance objectives of employees.

The performance of Rabobank Australia is determined by achievement against a combination of financial, customer, operational, risk and people KPIs in line with business strategy, comprising a framework known as the Performance Dashboard. These KPIs are determined on an annual basis and include measures to drive performance in relation to Rabobank's four strategic pillars.

For 2025, the Performance Dashboards for Rural and Wholesale Banking included the following measures:

- **Excellent Client Focus:** Achievement of growth in primary clients, measured by Net Promoter Score, gross increase of new to bank clients, and the increase in the number of clients with fees and cross-sell income;
- **Meaningful Cooperative:** Achievement in relation to sustainability initiatives, measured by the execution of the Transition Plan, the percentage of the Rural portfolio covered by a carbon calculator and a structural solution implemented, the percentage of the Sustainable Finance portfolio covered with quantitative nature metrics, the relative decrease of nominal exposure of clients with a total Planet score below 50%, and on balance exposure of lending and capital markets transactions receiving a 'positive' rating from the Sustainable Finance Panel;
- **Rock-Solid Bank:** Achievement in relation to financial, productivity and risk performance, measured by client income, income per Front-Office full-time equivalent employee, ratio of actual Back-Office to budgeted Front-Office employees, Cash Return on Invested Capital (CROIC), Gross Risk-Adjusted Return on Capital (RAROC), direct costs and operating within Risk Strategy; and
- **Empowered Employees:** Achievement in relation to Diversity, Equity & Inclusion, measured by the percentage of women in senior roles.

For the 2025 Performance Year, the Performance Dashboard was comprised of greater than 50% in relation to non-financial measures.

### Employee Performance

At an individual level, performance objectives set as part of the GROW performance management process are broken down into three primary categories for all employees, irrespective of role: 'Contribution', 'Behaviour' and 'Risk Management'.

'Contribution', a mix of qualitative and quantitative objectives dependent upon the role undertaken by each employee, comprises 50% of the total basis upon which individual performance is measured. Quantitative objectives refer to agreed financial, sales, customer, operational, risk and people metrics, cascaded from the overall strategic objectives of Rabobank Australia and divisional/departmental KPIs for the Performance Year. Quantitative objectives in relation to financial and/or sales performance must comprise no more than 30% of the total performance objectives upon which individual performance is measured. Qualitative objectives will include specific performance criteria within an employee's own area of responsibility, such as the delivery of projects and initiatives to deliver corporate, risk, cultural and behavioural outcomes.

Mandatory performance objectives in relation to 'Behaviour' and 'Risk Management' are also considered in the overall assessment of performance, comprising 40% and 10% of the total basis upon which individual performance is measured respectively.

Individual performance objectives must include material weighting of non-financial objectives. Material weighting of non-financial objectives for the purposes of goal-setting is defined as at least 40% of the objectives relating specifically to 'Contribution' and, when combined with objectives relating to 'Behaviour' and 'Risk Management', comprise at least 70% of the total basis upon which individual performance is assessed.

Performance is assessed for all employees formally at the end of the Performance Year, supplemented via regular dialogue throughout the Performance Year. The review considers achievement against the pre-determined agreed qualitative and/or quantitative performance objectives for the categories of 'Contribution', 'Behaviour' and 'Risk Management', and employees are assigned an overall Performance Rating for the relevant Performance Year. That, in conjunction with the performance of Rabobank both globally and locally, leads to consideration for a Variable Remuneration award as part of the annual Compensation Review process.

Employees are also encouraged to set a 'Development' objective, aimed at supporting the development of skills necessary for their function/role now and into the future.

### Remuneration & Risk Management

Within Rabobank Australia, risk is defined as 'any potential event, scenario or happening that could prevent the achievement of our strategic objectives'. Whilst this definition is deliberately broad, the material risks faced by Rabobank Australia are:

- Business Risk;
- Credit Risk;
- Market Risk;
- Liquidity Risk;
- Operational Risk; and
- Compliance Risk

Effective risk management is a central part of Rabobank Australia's strategic, tactical and operational management. Rabobank Australia seeks to encourage all employees to take accountability for the management of risks and implement appropriate practices to effectively manage risk.

The Local Policy on Remuneration links to performance, risk and Rabobank Australia's risk management framework. The approach to remuneration seeks to encourage behaviour that supports a long-term approach to Rabobank Australia's financial soundness and appropriate risk-taking in line with risk appetite and the risk management framework. Performance-based outcomes of remuneration are aligned with prudent risk-taking and are generally limited as compared to the external market. This reflects Rabobank Australia's conservative approach to risk management.

Rabobank Australia is committed to ensuring that its remuneration practices are appropriately risk-mitigated. Decisions regarding remuneration, including actual pay levels, the ratio between fixed and performance-based pay, appropriate measures of performance, and weighting of performance measures take into account any material risks that are identified through Rabobank Australia's risk-management systems. In general, this will involve (but not necessarily be limited to) the following considerations:

- setting ratios between fixed and performance-based pay with a view to ensuring that high performance is appropriately rewarded, but within a remuneration structure that is sufficiently risk-mitigated to align with the desired risk profile;
- ensuring that the fixed component of remuneration comprises a sufficient proportion of Total Remuneration, such that any performance-based component is genuinely discretionary;
- designing performance-based components of remuneration to align with prudent risk-taking, incorporating adjustments to reflect:
  - the outcomes of business activities;
  - risks related to those business activities; and
  - the time necessary for the outcomes of those business activities to be reliably measured, either by deferring payment until after such measures have been made or by incorporating downward adjustments to reflect any measurement uncertainty;
- ensuring that Risk & Financial Control Personnel, are remunerated in ways that do not compromise their independence in carrying out their functions;
- measuring an employee's performance against non-financial indices, such as compliance with Rabobank Australia's risk management and compliance frameworks and adherence to Rabobank Australia's competencies, as well as against financial indices;
- where financial measures of performance are used, adjusting measures of actual performance to take account of quantitative risks (including future risks not identified or measured by accounting profits) and qualitative risks (such as compliance training assessments and internal audit scores); and
- retaining discretion to withhold or revoke deferred Variable Remuneration, where unforeseen circumstances necessitate or otherwise justify such action.

Linked to the Risk & Control Framework, the Consequence Management Framework (CMF) also forms part of how Rabobank

Australia manages exposure to culture and conduct risks, and provides overarching disciplinary, reward and performance management guidance to People Leaders in the event of adverse conduct and risk events. Further information is provided in relation to consequence management under section **Deferrals and Adjustments**.

### **Remuneration of Risk & Financial Control Personnel**

Rabobank Australia remunerates Risk & Financial Control Personnel in ways that do not compromise their independence in carrying out their functions.

In order to do so, assessment of overall performance and the subsequent award of Variable Remuneration incorporates measurement based on a minimum of 50% qualitative performance metrics, based on the quality and integrity of the functions that they perform. In addition, it is not predominantly determined by the People Leaders or financial performance of the business areas that they monitor.

Quality assurance is undertaken in relation to the objectives set for all Risk & Financial Control Personnel to ensure that these requirements are met.

In addition, in order to safeguard independence, involvement is required from both the hierarchical line and the functional line for the agreement and documentation of objectives, the assessment of performance, and the determination of Variable Remuneration for the Performance Year.

In accordance with the requirements of CPS 511, the Variable Remuneration outcomes of Risk & Financial Control Personnel are subject to approval of the Board and SOOA on a cohort basis as part of the annual Compensation Review process, on the recommendation of the Board People & Remuneration Committee.

In 2025, Variable Remuneration as a percentage of Fixed Remuneration was 14.39% for Risk & Financial Control Personnel prior to the application of any consequence management for adverse risk and conduct events. This percentage decreased to 14.27% following the application of adjustments under the CMF for 16 Risk & Financial Control Personnel. In addition, \$19,738 was made in special payments during the year relating to a severance payment over and above statutory requirements.

### **Design of Variable Remuneration Plans**

Rabobank Australia may award performance-based Variable Remuneration on a discretionary basis to reward employees for high levels of performance and contributions to the success of the business. The process by which Variable Remuneration may be awarded is generally referred to as the Rabobank Australia Discretionary Variable Remuneration Scheme.

For the majority of employees, Variable Remuneration is awarded in the form of cash (deferred and non-deferred). Any applicable deferral periods and vesting schedules and are outlined under section **Deferrals and Adjustments**.

In addition to application of deferral, Variable Remuneration awarded to the CEO, Rabobank Australia, Executive Directors, Accountable Persons, Senior Managers, Highly-Paid Material Risk-Takers and Identified Staff is split equally into two components: a cash component; and a notional instrument component (i.e. convertible notes).

The notional instrument component, referred to as Deferred Remuneration Notes (DRNs), is linked to the Rabobank Certificate value in the Netherlands at the time of payment, however, is ultimately distributed as cash. As such, they have been disclosed as cash awards for the purposes of this disclosure.

Payment of the notional instrument component is subject to a retention period of one year, from the time when the notional instrument component has vested. During the retention period, payment of the notional instrument component is prohibited.

Rabobank Australia does not award a Long-Term Incentive (LTI) component of Variable Remuneration.

All permanent employees, at the discretion of Rabobank Australia, who commence prior to 1 November of the Performance Year are eligible to participate in the Rabobank Australia Discretionary Variable Remuneration Scheme.

Casual and fixed-term employees are ineligible for Variable Remuneration.

Variable Remuneration opportunity for each employee varies dependent on the division/department to which they are assigned, the level of seniority of their role (i.e. Grade), and their Performance Rating for the Performance Year. There are three sub-plans under the Rabobank Australia Discretionary Variable Remuneration Scheme:

- Variable Incentive Plan for Rural and Support
- Structured Bonus Plan for Wholesale Banking, Treasury and RaboResearch
- Structured Bonus Plan for the Executive Team

The Variable Remuneration opportunity available under each sub-plan has been set in consideration of external market practice in relation to Total Remuneration.

As a foreign-owned subsidiary, the determination of the Variable Remuneration pool for Rabobank Australia is at the ultimate discretion of Rabobank Group, however several factors are taken into consideration:

- the pool provided for distribution in prior Performance Years;
- local market conditions in relation to Variable Remuneration opportunity, as incorporated via Rabobank Australia Discretionary Variable Remuneration Scheme sub-plan design;
- the headcount and number of eligible employees at the time of pool determination; and
- the business performance of Rabobank Australia, Wholesale & Rural, and Rabobank Group in relation to their respective Performance Dashboard results.

In addition, in order to ensure the Variable Remuneration pool accurately reflects sustainable performance, does not reward unsatisfactory performance, and that risks related to operational management have been considered, consideration is also given to:

- the strength of qualifying capital and equity;
- the measurable risks and the risk-mitigating measures required to comply with risk appetite, with particular reference to quantitative risk adjustments (e.g. Return on Invested Capital) and qualitative risk adjustments;
- the financial performance achieved, measure with regard to long-term objectives; and
- the needs of Rabobank Australia and Rabobank Group.

Ex-ante assessment is undertaken by Rabobank Group to consider the consequences for regulatory capital, the capital adequacy margin, and the equity of Rabobank Australia, as well as capital costs to ensure that the payment of Variable Remuneration does not restrict Rabobank Australia from maintaining a solid capital base. In the event that the threshold determined according to applicable legislation and regulations for Common Equity Tier 1 ratio is not met, Variable Remuneration will not be (fully) awarded or paid.

At an individual level, Rabobank Australia takes a number of matters into account when determining whether to award Variable Remuneration to an employee, as well as the amount of Variable Remuneration to be awarded, including:

- the performance of Rabobank Australia, Wholesale & Rural, and Rabobank Group as measured by Rabobank Australia's strategic objectives and KPIs, as detailed under **Remuneration & Performance Management** above;
- the performance, conduct and risk outcomes of the employee;
- competitive market practice for the employee's role in relation to Total Remuneration;
- the Fixed Remuneration of the employee;
- whether the employee worked part of the Performance Year, resulting in the need for a pro-rata Variable Remuneration award;
- the Variable Remuneration awarded to other employees performing similar roles, at the same level, in the same location, for the same period; and/or
- the nature of the role and responsibilities of an employee in a Performance Year.

When determining the amount of any Variable Remuneration to be awarded under the Discretionary Variable Remuneration Scheme, People Leaders are advised to take into consideration customer-centric outcomes and the demonstration of the Rabobank values and behaviours, as opposed to a focus on sales and financial performance. As such, there is no direct link between financial and/or sales objectives and the award or amount of Variable Remuneration.

Based on the above factors, People Leaders must determine an appropriate award within the relevant Variable Remuneration opportunity range for the Grade of the employee's role and Performance Rating.

## **Deferrals & Adjustments**

### **Deferral of Variable Remuneration**

Whilst employees of Rabobank Australia may receive a Variable Remuneration award for a particular Performance Year, some or all of the award may be deferred. This is particularly applicable for employees in regulatory classified roles, as well as those receiving a significant amount of Variable Remuneration for a Performance Year. Any amount of Variable Remuneration that is deferred is not guaranteed income and will be subject to a vesting period.

The deferral arrangements for Rabobank Australia employees are as follows:

#### **CEO, Rabobank Australia**

Under the Local Policy on Remuneration, and in compliance with the CPS 511, deferral for the CEO, Rabobank Australia will be for a minimum of seven years (including the period over which

performance is assessed), with 60% of Variable Remuneration to be deferred for the relevant Performance Year. One-third of the deferred component vests four years, five years and six years after the Variable Remuneration has been awarded.

Where the minimum deferral is calculated as less than the equivalent of \$50,000 gross, the deferral approach for Identified Staff would be applied.

This heightened level of deferral is set in accordance with European Banking Authority regulation and CPS 511 requirements.

#### Senior Managers, Executive Directors & Accountable Persons

Under the Local Policy on Remuneration, and in compliance with CPS 511, deferral for employees identified as Senior Managers, Executive Directors and Accountable Persons (excluding the CEO, Rabobank Australia) will be for a minimum of five years (including the period over which performance is assessed), with 40% of Variable Remuneration to be deferred for the relevant Performance Year. All of the deferred component vests four years after the Variable Remuneration has been awarded.

For these employees, where the minimum deferral is calculated as less than the equivalent of \$50,000 gross, no deferral is applicable unless they are also classified as Identified Staff.

#### Highly-Paid Material Risk-Takers

In compliance with CPS 511, 40% of the Variable Remuneration of Highly-Paid Material Risk-Takers is to be deferred for a period of four years (including the period over which performance is assessed). All of the deferred component vests three years after the Variable Remuneration has been awarded.

For these employees, where the minimum deferral is calculated as less than the equivalent of \$50,000 gross, no deferral is applicable unless they are also classified as Identified Staff.

#### Identified Staff

In addition to the identification of Senior Managers and Highly-Paid Material Risk-Takers under CPS 511, employees who meet classification criteria set out in accordance with regulation implemented by the European Banking Authority have been classified as Identified Staff by Rabobank Group. These individuals are subject to stringent deferral rules, in which a minimum of 40% of any total Variable Remuneration award will be deferred and will vest progressively over a four-year period.

Note that the majority of Senior Managers under CPS 511 are also classified as Identified Staff. For these individuals, where the minimum deferral is calculated as less than the equivalent of \$50,000 gross under CPS 511, deferral under the Identified Staff arrangements may be applied.

#### Other Employees

All employees not classified under local and European regulation whose total Variable Remuneration award is in excess of the equivalent of EUR 130,000 (indexed from year-to-year) will have part of their total Variable Remuneration deferred.

All, or a portion, of any amount in excess of the Variable Remuneration threshold is categorised as deferred and will vest progressively over a four-year period.

## Consequence Management

Under the Consequence Management Framework (CMF) of Rabobank Australia, a number of tools are available for application of consequence management in the event of adverse risk and conduct events. Outlined in the Local Policy on Remuneration, many of these relate to the ability to adjust downward (or to nil) any Variable Remuneration awarded to an employee for a Performance Year.

Application of consequence management to Variable Remuneration may be applied where:

- it is discovered that an employee has engaged in misconduct, has made material errors in the course of their employment, or has otherwise engaged in a material breach of employment conditions or of any of Rabobank Australia's financial and non-financial risk management, compliance and/or audit frameworks or key corporate values;
- it is discovered that an employee has committed, been involved in, or is responsible for a fraudulent or dishonest act;
- it is discovered that an employee has participated in, or has been responsible for, conduct leading to, or likely to lead to, considerable financial loss and/or damage to the reputation of Rabobank Australia;
- it is discovered that an employee has committed, been involved in, or is responsible for a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
- it is discovered that an Accountable Person has breached their accountability obligations under the FAR;
- it is discovered that an employee has committed, been involved in, or is responsible for conduct that has or is likely to lead to significant adverse outcomes and customers, beneficiaries or counterparties;
- an employee has failed to meet the required standards regarding performance and/or conduct;
- it is discovered that an award was made based on incorrect, false, or misleading information (or omissions), or otherwise as the result of an employee's fraudulent conduct;
- circumstances are discovered of which Rabobank Australia was unaware, which would have had a material impact on the decision to award Variable Remuneration during the annual Compensation Review process;
- the performance of Rabobank Australia or any employee has deteriorated or falls short of the levels upon which the award of Variable Remuneration was originally predicated; or
- it is necessary to protect the financial soundness of Rabobank Australia.

Any adjustments applied to Variable Remuneration are proportionate to the severity of the adverse risk or conduct event, guided by the Impact on Variable Remuneration table and accompanying Proportionality Scale set out in the CMF of Rabobank Australia. For example, Category A 'Serious Misconduct or Significant Breach' matters under the CMF will attract more significant consequences than those assessed as Category C 'Minor Breaches'. In addition, consideration is also given to the criteria such as:

- the extent to which the event involved a mistake recklessness or negligence;

- the extent to which the event involved dishonesty of a breach of trust;
- the degree of responsibility or accountability for the event;
- the severity of impact, or potential impact, on customers, financial position, reputation, regulatory standing, operations, and employees;
- the duration of the event;
- the extent to which the employee has a history of similar events and any previous consequence that have been applied; and
- the extent to which effort was made by the employee to report, escalate, mitigate or remedy the situation.

The tools used by Rabobank Australia in relation to the application of consequence management to Variable Remuneration are as follows:

#### Malus

Rabobank Australia may fully or partially adjust (apply malus to) all or part of the deferred Variable Remuneration of an employee or former employee downwards before it vests where any adverse risk or conduct event has occurred.

This may be undertaken for any adverse risk or conduct event assessed under the CMF as Category A 'Serious Misconduct or Significant Breach', Category B 'Misconduct or Breach', or 'Category C 'Minor Breach', however the impact on deferred Variable Remuneration is proportionate to the severity of the matter.

The application of any malus must be approved by the Board and the SOOA, on the recommendation of the Board People & Remuneration Committee. At a minimum, consideration of the application of malus is undertaken annually in the lead-up to the annual Compensation Review process.

#### Clawback

Rabobank Australia may revoke (apply clawback to) all or a part of a Variable Remuneration award which has already been paid to an employee or former employee where it is discovered that an adverse risk or conduct event has occurred.

This may be undertaken for any adverse risk or conduct event assessed under the CMF as Category A 'Serious Misconduct or Significant Breach', Category B 'Misconduct or Breach', or 'Category C 'Minor Breach', however the impact on already paid Variable Remuneration is proportionate to the severity of the matter.

The application of any clawback must be approved by the Board and the SOOA, on the recommendation of the Board People & Remuneration Committee. At a minimum, the application of clawback is undertaken annually in the lead-up to the annual Compensation Review process.

#### In-Period Adjustment

Rabobank Australia may apply adjustment downward (or to nil) any Variable Remuneration awarded to an employee via an in-period adjustment as part of the annual Compensation Review process for the Performance Year upon approval of the CEO, Rabobank Australia.

This may be undertaken for any adverse risk or conduct event assessed under the CMF as Category A 'Serious Misconduct or Significant Breach', Category B 'Misconduct or Breach', or 'Category C 'Minor Breach', however the impact on already paid Variable Remuneration is proportionate to the severity of the matter.

In-period adjustments include any reductions in Variable Remuneration applied under the Reward Gateway for Required Learning, in the event of late/non-completion of Required Learning by prescribed deadlines for the Performance Year by employees.

In-period adjustments may also be applied by the Board and SOOA, on the recommendation of the Board People & Remuneration Committee, as a result of outcomes of the Annual Risk Assessment process conducted by the Group Executive, Chief Risk Officer for Senior Managers (on an individual basis), Material Risk-Takers (on a cohort basis), and Risk & Financial Control Personnel (on a cohort basis). Discussed in further detail under **Governance of the Remuneration Framework**, as part of this process a downward adjustment to Variable Remuneration may be recommended by the Group Executive, Chief Risk Officer. An upward adjustment may also be recommended to reflect positive risk outcomes and the demonstration of strong risk leadership during the Performance Year.

#### Suspension of Variable Remuneration

Rabobank Australia may also elect to temporarily suspend a Variable Remuneration award, or the vesting or payment of Variable Remuneration. This may be undertaken in circumstances included when an investigation has commenced that may have consequences for the award of Variable Remuneration to an employee.

## 5. Quantitative Disclosures

The following quantitative disclosures have been prepared in accordance with the requirements for CPS 511 for the 2025 financial year (1 January 2025 to 31 December 2025). All amounts are expressed in Australian dollars.

The table below presents the remuneration outcomes for the 2025 financial year.

**Table 1 – Remuneration outcomes for the financial year**

A\$m	Item	CEO	Other Senior Managers	Highly-Paid Material Risk-Takers	Other Material Risk-Takers
<b>Fixed remuneration</b>					
1	Number of employees paid fixed remuneration	1	17	0	31
2	Total fixed remuneration	1,675,272	7,493,053	0	10,250,408
3	of which: cash-based	685,500	7,493,053	0	9,960,287
4	of which: share-based awards	n/a	n/a	n/a	n/a
5	of which: other	989,772	0	0	290,121
6	Average percentage increase in total fixed remuneration (row 2) on previous financial year	10.6%	6.6%	n/a	5.4%
<b>Variable remuneration</b>					
7	Number of employees eligible for variable remuneration	1	15	0	28
8	Number of employees that received variable remuneration	1	15	0	28
9	Total variable remuneration	122,600	3,770,622	0	3,717,885
10	of which: cash-based	122,600	3,770,622	0	3,717,885
11	of which: share-based awards	n/a	n/a	n/a	n/a
12	of which: other	n/a	n/a	n/a	n/a
13	Total variable remuneration (row 9) that has been deferred	55,964	1,630,544	0	115,732
14	of which: cash-based	55,964	1,630,544	0	115,732
15	of which: share-based awards	n/a	n/a	n/a	n/a
16	of which: other	n/a	n/a	n/a	n/a
17	Average percentage increase in total variable remuneration (row 9) on previous financial year	-26.3%	7.9%	n/a	13.6%
18	Total remuneration (sum of rows 2 + 9)	1,797,872	11,263,675	0	13,968,293

**Table 2 – Special Payments**

A\$m	Item	CEO	Other Senior Managers	Highly-Paid Material Risk-Takers	Other Material Risk-Takers
1	Number of employees paid a guaranteed bonus	0	0	0	0
2	Total guaranteed bonuses	0	0	0	0
3	Number of employees paid a sign-on award	0	0	0	0
4	Total sign-on awards	0	0	0	0
5	Number of employees paid a severance payment	0	2	0	2
6	Total severance payments	0	362,084	-	295,967

**Table 3 – Deferred and adjusted variable remuneration**

	A\$m	A Total amount of outstanding deferred variable remuneration post adjustments	B Total amount of variable remuneration not deferred post adjustments	C Total amount of downward adjustments to variable remuneration reported in columns A and B
<b>CEO</b>				
1	Total CEO	1,104,439	311,704	-69,955
2	of which: cash	1,104,439	311,704	-69,955
3	of which: share-based awards	n/a	n/a	n/a
4	of which: other	n/a	n/a	n/a
<b>Other Senior Managers</b>				
5	Total other senior managers	6,693,662	2,641,595	-150,768
6	of which: cash	6,693,662	2,641,595	-150,768
7	of which: share-based awards	n/a	n/a	n/a
8	of which: other	n/a	n/a	n/a
<b>Highly-Paid Material Risk-Takers</b>				
9	Total highly paid material risk-takers	n/a	n/a	n/a
10	of which: cash	n/a	n/a	n/a
11	of which: share-based awards	n/a	n/a	n/a
12	of which: other	n/a	n/a	n/a
<b>Other Material Risk-Takers</b>				
13	Total other material risk-takers	157,949	3,597,587	-7,500
14	of which: cash	157,949	3,597,587	-7,500
15	of which: share-based awards	n/a	n/a	n/a
16	of which: other	n/a	n/a	n/a
17	Total (sum of rows 1 + 5 + 9 + 13)	7,956,050	6,550,886	-228,224