

Non-Executive Director Remuneration Policy

Document Control

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Prepared By	General Manager, People Central

Date	Version No.	Prepared By	Change Details	Approval Details
April 2013	2013.1	I Rogerson	<ul style="list-style-type: none"> Apply Policy Template Update references to ME Bank and related entities Update Committee Fees (as approved by the Board 3 May 2012) 	Board: minutes of meeting on 2 May 2013
May 2014	2014.1	I Rogerson	Annual review	Board: minutes of meeting on 3 July 2014
December 2014	2015.1	I Rogerson	Update to reflect new Committee structure Update base and committee fees	Board: minutes of meeting on 4 December 2014
February 2016	2016.1	I Rogerson	Annual review – change for brand refresh; clarify fees remain same as from 01.01.15	Board: minutes of meeting on 4 February 2016
May 2017	2017.1	I Rogerson	Annual review. Propose increase in base fee calculation and committee fees	Board: minutes of meeting on 4 May 2017
April 2018	2018.1	I Rogerson	Annual review. New fees for committee	Board: minutes of meeting on 3 May 2018
September 2018	2018.2	I Rogerson	IPSC member fees	Board meeting minutes 11 September 2018
October 2019	2019.1	J Brand	Annual review. Propose increase in base and committee fees, remove references to IPSC.	Board meeting minutes 31 October 2019
December 2020	2020.1	M Spriggs	Annual review. Propose increase in base fees and amendment to fee determination policy	Board meeting minutes 16 December 2020



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1. Summary Information	4
1.1 Policy objective:	4
1.2 Application:	4
1.3 Review requirements:	4
1.4 Approval:	4
1.5 Document Owner:	4
1.6 Contact:	4
1.7 Conflicts with other policies:	4
1.8 Confidentiality:	4
1.9 Applicable Legislation:	4
1.10 Related Policies and Documents:	4
1.11 Penalties for non-compliance:	4
1.12 Record keeping:	5
2. Commitment	6
2.1 Appropriate Remuneration – Not based on ME Performance	6
2.2 Appropriate Remuneration - Base Fee	6
2.3 Appropriate Remuneration - Committee Fees	6
2.4 Appropriate Remuneration - Subsidiary Board Fees	7
2.5 Aggregate Remuneration and Fee Cap	7
2.6 Setting Annual Fees	7
2.7 Reimbursement for Expenses	7
2.8 Termination Payments	7
3. Role and Responsibilities	8
3.1 Board	8
3.2 Senior Management	8
3.3 Other Employees	8



1. Summary Information

1.1 Policy objective:

To set an appropriate level of remuneration that allows ME to retain the services of a suitable number of well qualified directors.

1.2 Application:

This Policy applies to ME and its non-executive directors.

1.3 Review requirements:

The policy will be reviewed on an annual basis.

1.4 Approval:

The ME Board.

1.5 Document Owner:

The Company Secretary.

1.6 Contact:

Any queries about this policy should be directed to Company Secretary.

1.7 Conflicts with other policies:

Should this policy conflict with any other ME policy, the Chief Risk Officer will resolve the discrepancy.

1.8 Confidentiality:

All ME policies are confidential documents. Only the document owner can approve the release of this document to third parties.

1.9 Applicable Legislation:

Not applicable.

1.10 Related Policies and Documents:

ME Authorities and Delegations Policy
Constitution of ME
People and Remuneration Committee Charter
Remuneration Policy

1.11 Penalties for non-compliance:

A breach of this policy may create a contractual liability for the Bank. Non-compliance may also expose the Bank to damage to its shareholder relationships and possible shareholder action.



1.12 Record keeping:

The Company Secretary will keep the final version of this policy.



2. Commitment

2.1 Appropriate Remuneration – Not based on ME Performance

There is no direct link between non-executive directors' remuneration and the annual results of ME or its related entities.

2.2 Appropriate Remuneration - Base Fee

Non-executive directors of the ME Board (excluding the Chairman) will be remunerated by way of one base fee (inclusive of the "Superannuation Guarantee Contribution" (SGC) payment) (**Base Fee**) that is up to 60% of the median paid by Bendigo Adelaide Bank and the Bank of Queensland (the **Benchmark Group**).

This approach to determining the Base Fee is based on the following:

- The valuation of and scale of operations of ME is smaller than those of Bendigo Adelaide Bank and the Bank of Queensland, but the type of activity undertaken is comparable.
- As listed entities, Bendigo Adelaide Bank and the Bank of Queensland are subject to rigorous disclosure standards around directors' remuneration imposed by the Australian Securities and Investment Commission and the Australian Securities Exchange.
- Paying up to 60% of the amount paid by the Bendigo Adelaide Bank and the Bank of Queensland is unlikely to be an excessive amount yet is also seen as fair and reasonable given the valuation of ME and scale of operations.

The base fee for the Chairman (**Chairman Base Fee**) will be two times the Base Fee.

From 1 January 2021 the Base Fees are, and continue to be:

• Service Provided	• Chair	• Member
• Board	• \$195,650 (including SGC)	• \$97,825 (including SGC)

2.3 Appropriate Remuneration - Committee Fees

In addition to the Base Fee, non-executive directors who participate on Board Committees receive compensation for the additional responsibilities and workload incurred in those roles (**Committee Fees**).

Chairs of Committees will be paid Committee Fees of 15% of the Base Fee.

Committee members will be paid 7.5% of the Base Fee.

From 1 January 2021, the Committee Fees are, and continue to be:

• Service Provided	• Chair	• Member
• Audit & Governance Committee	• \$14,700 (including SGC)	• \$7,350 (including SGC)
• Risk & Compliance Committee	• \$14,700 (including SGC)	• \$7,350 (including SGC)
• People & Remuneration Committee	• \$14,700 (including SGC)	• \$7,350 (including SGC)
• Digital Committee	• \$14,700 (including SGC)	• \$7,350 (including SGC)
• Nominations Committee	• Nil	• Nil



2.4 Appropriate Remuneration - Subsidiary Board Fees

Non-executive directors who participate on the board of a ME subsidiary will receive the following compensation for the additional responsibilities and workload incurred in those roles:

Service Provided	Chair	Member
Subsidiary Board	75% of Base Fee	75% of Base Fee

2.5 Aggregate Remuneration and Fee Cap

All non-executive director fees and SGC payments are determined within the aggregate limit approved by shareholders (**Fee Cap**).

2.6 Setting Annual Fees

The People and Remuneration Committee is responsible for making recommendations to the Board in respect of the remuneration for non-executive directors, within the limits of the remuneration pool for non-executive directors.

The Board is authorised to determine the fees for directors within the Fee Cap and other parameters of this policy on an annual basis.

The People and Remuneration Committee will review the Board and Committee fees at least annually, by the end of each calendar year. The fees may increase annually even if there is no change recommended as a result of a change in the fees payable in the Benchmark Group, based on consideration economic and other industry factors (including but not limited to CPI).

2.7 Reimbursement for Expenses

Non-executive directors and alternates are entitled under the ME Constitution to be reimbursed for reasonable costs and expenses incurred or to be incurred in connection with attendance at meetings of the Board and Committees of the Board.

Reimbursed expenses are outside of the Fee Cap.

2.8 Termination Payments

Non-executive directors are not entitled to termination payments or retirement benefits, other than in respect of any superannuation entitlements.



3. Role and Responsibilities

3.1 Board

It is the responsibility of the Board to approve this policy.

3.2 Senior Management

It is the responsibility of the Company Secretary to ensure the non-executive directors are paid in accordance with this policy.

3.3 Other Employees

Not applicable.

