Agricultural Bank of China
Sydney Branch

Annual Remuneration Disclosure under CPS511

For the financial year ended 31 December 2025

Introduction

Agricultural Bank of China Limited, Sydney Branch (hereinafter referred to as "**ABCS**" or the "**Branch**") is a branch of Agricultural Bank of China Limited (**ABC**), incorporated in China. ABC is a foreign authorised deposit taking institution regulated by the Australian Prudential Regulatory Authority (**APRA**). The Branch is subject to remuneration requirements under Prudential Standard CPS 511 Remuneration (**CPS 511**) and the Financial Accountability Regime.

The Branch is a non-Significant Financial Institution (**non-SFI**) for the purposes of CPS 511. This document has been prepared by the Branch in accordance with the remuneration disclosure requirements under CPS 511 that apply to the Branch as a non-SFI. The information in this disclosure is for the period 1 January 2025 to 31 December 2025

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Governance

Board of ABC

The Board of Directors of the Agricultural Bank of China Limited (**ABC Board**) is ultimately responsible for the governance of the Branch including remuneration governance. The ABC Board meets at least once a year.

Agricultural Bank of China Limited Head Office (H.O.)

The Agricultural Bank of China Limited H.O. reviews and approves the annual variable remuneration arrangements for the General Manager of the Branch, the Senior Officer Outside Australia (**SOOA**) and any Highly Paid Material Risk Takers of the Branch. The H.O. will be responsible for determining any downward adjustments, including to zero if appropriate, to the variable remuneration for any of these individuals in accordance with the Branch's Remuneration Policy.

Senior Officer Outside Australia (SOOA)

The ABC Board has nominated a SOOA to oversee the operations of the Branch in Australia. The responsibilities of the SOOA include approving the Branch's Remuneration Policy on behalf of the ABC Board and overseeing arrangements of the Branch's Australian business.

Senior Management

The Senior Management of the Branch meet regularly to conduct and manage the business.

The ABC Board, the SOOA or H.O. relevant departments are responsible for:

- Approving changes to the Branch's Remuneration Policy and conducting regular reviews of the Remuneration Policy including a review of its effectiveness and compliance with APRA's requirements.
- Reviewing and making annual decisions in respect of the remuneration arrangements and variable remuneration outcomes of the General Manager and other employees who have a substantial impact on the Branch's risk control.
- Adjusting variable remuneration payments downwards, to zero if appropriate, in relation to relevant persons or classes of persons as required by law, regulations and CPS 511.

The ABC Board, the SOOA and H.O. relevant departments have free and unfettered access to all Risk and Financial Control Personnel and any other parties (internal or external) as required, to assist them in undertaking their responsibilities.

Design and Structure of Remuneration Framework

Design and review

The Senior Executive of the Branch reviews the Branch's Remuneration Policy on an annual basis to ensure the Remuneration Policy continues to:

- align with the business plan, strategic objectives and risk management frameworks of the Branch;
- promote the effective management of both financial and non-financial risks, sustainable performance and long-term soundness of the Branch; and
- support the prevention and mitigation of conduct risk.

The Branch Human Resources Team is responsible for developing the performance assessment plan and ensuring that this process aligns to the Branch's business plan, strategic objectives and risk. The performance assessment is designed to promote the effective management of both financial and non-financial risks, sustainable performance and long-term soundness and supports the prevention and mitigation of conduct risk.

Annual assessment of performance and remuneration

The ABC Board or the SOOA or relevant departments of H.O. approve variable remuneration for each Accountable Person and other personnel deemed Highly Paid Material Risk Takers, Material Risk Takers and Risk and Financial Control Personnel.

"Accountable Person" means a person designated as an Accountable Person of the Branch for the purposes of the *Financial Accountability Regime Act* 2024 (Cth) ("FAR Act") or any successor legislation.

"Highly Paid Material Risk Taker" means a Material Risk Taker whose total fixed remuneration (which includes salary, superannuation, allowances and benefits) plus actual variable remuneration is equal to or greater than 1 million AUD in a financial year of the Branch.

"Material Risk Taker" means a person whose activities have a material potential impact on the Branch's risk profile, performance and long-term soundness.

"Risk and Financial Control Personnel" means persons whose primary roles is in the risk management, compliance, internal audit, financial control or actuarial control for the Branch.

The Branch Executive Management provides the H.O. with recommendations for remuneration, particularly variable remuneration.

The Branch Executive Management will have considered, whether there are any material risk management considerations such as breaches, misconduct or significant customer complaints within their responsible business units before making a recommendation that an employee is eligible for the recommended bonus amount.

Remuneration arrangements

Fixed Remuneration
The Branch offers fixed remuneration to employees based on their skills, experience and responsibilities within the Branch. Fixed remuneration is regularly reviewed to ensure the Branch continues to appropriately reward its employees and ensure it remains competitive within the market and is able to attract experienced and skilled professionals in the industry.

Variable Remuneration

The Branch awards variable remuneration in the form of short-term cash incentives only and does not offer long term incentives (such as shares, options or other incentives). Variable remuneration is based on the achievement of certain criteria by the eligible employee assessed on an annual basis. There is no ongoing entitlement for any employee to be eligible for variable remuneration. The Branch offers variable remuneration on a discretionary basis and payments are not guaranteed. The eligibility of an employee to be considered for variable remuneration can be changed or withdrawn at any time.

Employees are assessed annually and any employee that meets set eligibility criteria will be considered for an incentive payment. Meeting eligibility criteria for one year will not guarantee the employee will be considered for a performance bonus in the following year.

Remuneration Policy

Alignment with performance

The Branch's Remuneration Policy is designed to align to the Branch's business plan, strategic objectives and risk, and employee's performance is assessed against their effectiveness in promoting the effective management of both financial and non-financial risks, sustainable performance and long-term soundness and supporting the prevention and mitigation of conduct risk.

Application

The Branch's Remuneration Policy applies to:

1. employees in the Branch;
2. Accountable Persons of the Branch;
3. persons retained by the Branch under contract, including third party service providers; and
4. any other persons determined by law, APRA or other regulated bodies or where the SOOA determines that they could have the ability to affect the financial soundness of the Branch.

Variable remuneration for Accountable Persons

In accordance with its regulatory obligations the Branch must defer at least 40% of variable remuneration of all the Branch's Accountable Persons for a minimum of four years (with no pro rata vesting permitted until after a four-year period) if the amount is greater than AUD $50,000.

General Manager

The General Manager has a designated percentage of their variable remuneration deferred and distributed over four years in accordance with H.O. requirements and the FAR Act.

SOOA

The SOOA's remuneration is managed and distributed by the H.O.. The SOOA is only eligible for variable remuneration in proportion to their time spent undertaking oversight of the Branch's operations. Any variable remuneration the SOOA may be entitled to in a financial year will be deferred in accordance with the requirements of H.O. and the FAR Act.

Variable remuneration for Highly Paid Material Risk Takers

For Highly Paid Material Risk Takers, the Branch will defer a minimum of 40% of their variable remuneration for a minimum period of four years, vesting no faster than on a pro-rata basis and only after two years. If a Highly Paid Material Risk Taker's variable remuneration is less than AUD $50,000 in a financial year no deferral is required. Currently the Branch does not have any Highly Paid Material Risk Takers.

Consequence management

The Branch applies appropriate measures to adjust variable remuneration in response to adverse risk and conduct events. The Branch will consider the application of a variable remuneration adjustment tools when any of the following events occur:

- misconduct leading to significant adverse outcomes;
- a significant failure of financial or non-financial risk management;
- a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
- a significant error or a significant misstatement of criteria on which the variable remuneration determination was based;
- significant adverse outcomes for customers, beneficiaries or counterparties;
- to protect the financial soundness of the Branch or Agricultural Bank of China Limited;
- to respond to significant unexpected events or unintended outcomes; and
- to comply with applicable law, regulations, prudential standards and any prudential guidelines.

Vesting of awards will be delayed if a participant is under investigation for a matter which may amount to an adverse risk or conduct event specified above.

The amount of downward adjustment and the adjustment tools are guided by the adjustment guidelines and consequence management framework established by the Branch. Any use of downward adjustment and how the amount of downward adjustment is calculated must be proportionate to the severity of the adverse risk or conduct event.

If an Accountable Person does not comply with their accountability obligations the Branch will be required to reduce their variable remuneration by an amount proportionate to that failure. This may be a reduction to zero. This can include a reduction in remuneration payable for a year other than the year when non-compliance occurred.

Variable remuneration may also be reduced if it is unvested and is subject to clawback, including in circumstances where the person is deregistered or disqualified as an Accountable Person and has not complied with their accountability obligations.

The Branch maintains an internal register of deferred variable remuneration to record and implement any deferred variable remuneration for Accountable Persons. The Branch's Finance & Accounting Department is responsible for the accounting procedure for deferred variable remuneration.