

Prudential Standard CPS 511 Disclosure



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Purpose

Under the Prudential Standard, an APRA-regulated entity must make clear, comprehensive, meaningful, consistent, and comparable public disclosure of information on its remuneration framework and practices.

Content

Qualitative disclosure (Requirements for Non-SFIs).

Frequency

Annual

Date

June 2025 (6 months after end of the financial year to which the disclosures relate)

Qualitative Disclosures

Remuneration Framework

74. An APRA-regulated entity must maintain a remuneration framework that:
- a. aligns with the entity's business plan, strategic objectives and risk management framework;
 - b. promotes effective management of both financial and non-financial risks, sustainable performance and the entity's long-term soundness;
 - c. for an RSE licensee, promotes performing its duties and exercising its powers in the best financial interests of beneficiaries; and
 - d. supports the prevention and mitigation of conduct risk.
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75. The remuneration framework must include a documented remuneration policy which at minimum sets out:
- a. how the remuneration framework addresses paragraph 74 of this Prudential Standard;
 - b. at a high level, the structure and terms of remuneration arrangements that apply to a person who is:
 - i. employed directly by the APRA-regulated entity;
 - ii. retained directly by the APRA-regulated entity under contract; and
 - iii. employed by, or is a contractor of a body corporate (including a service company) that is a related body corporate or connected entity, of the APRA-regulated entity;
 - c. the approach to identify and mitigate material conflicts to the objectives of the remuneration framework, as specified in paragraph 74 of this Prudential Standard, that may result from third-party service provider compensation arrangements; and
 - d. the systems and processes that support the implementation of the entity's remuneration arrangements, including those that cover the assessment and management of performance, conduct and consequences.

Role of the Board

76. The Board, or relevant oversight function, of an APRA-regulated entity is ultimately responsible for the entity's remuneration framework and its effective application.
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77. The Board, or relevant oversight function, must approve the remuneration policy required under paragraph 75 of the Prudential Standard.

Remuneration design

78. An APRA-regulated entity must design all variable remuneration arrangements to align with paragraph 74 of this Prudential Standard and must incorporate in its variable remuneration arrangements:
- a. financial and non-financial risks that could materially impact the entity's risk profile, sustainable performance, long-term soundness, and in addition for an RSE licensee, those risks that could materially impact on performing its duties and exercising its powers in the best financial interests of beneficiaries;
 - b. payout and vesting schedules that are commensurate with the possible range of risk and performance outcomes and that are sensitive to the time horizon of risk; and
 - c. appropriate variable remuneration adjustment tools, that include but are not limited to overriding board discretion at each decision point, in-period adjustments, malus and, where appropriate, clawback, which are supported by a downward-adjustments process:
 - i. with clearly identified triggers to make a downward-adjustment;
 - ii. that determines the appropriate adjustment tools to use; and
 - iii. that determines the amount of downward-adjustment, proportionate to the severity of risk and conduct outcomes, to nil if appropriate
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79. An APRA-regulated entity must subject a person's variable remuneration arrangement to malus.
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80. An APRA-regulated entity must set specific criteria for the application of variable remuneration adjustment tools, including at least the following:
- a. a significant failure of financial or non-financial risk management;
 - b. a significant failure of financial or non-financial risk management;
 - c. a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
 - d. a significant error or a significant misstatement of criteria on which the variable remuneration determination was based; and
 - e. significant adverse outcomes for customers, beneficiaries or counterparties.
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81. An APRA-regulated entity must take reasonable steps to appropriately adjust variable remuneration downwards when, as a minimum, any of the criteria specified in paragraph 80 are satisfied. The total downward-adjustment to variable remuneration must be proportionate to the severity of the risk and conduct outcome.
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82. In circumstances involving a person under investigation for criteria specified in paragraph 80, variable remuneration must not vest until the investigation is closed.
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83. An APRA-regulated entity must take appropriate steps to assess and mitigate conflicts of interest in the design of its remuneration arrangements, including conflicts that may arise from service contracts.
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84. Despite paragraph 4, a foreign ADI, Category C insurer or EFLIC with total assets in excess of the threshold set out in the definition of SFI under APS 001, GPS 001 or LPS 001 respectively must defer variable remuneration of highly-paid material risk-takers in accordance with paragraphs 41(c), 42 and 43 of this Prudential Standard.
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Remuneration outcomes

85. An APRA-regulated entity must:
- a. align variable remuneration outcomes with performance and risk outcomes; and
 - b. reflect the appropriate application of variable remuneration adjustment tools in variable remuneration outcomes, as specified in paragraph 78(c) of this Prudential Standard.
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86. An APRA-regulated entity must not accelerate the vesting of unvested variable remuneration for a person in a specified role no longer employed or engaged by the entity, unless specific exceptions have been included in the remuneration policy. If that person is eligible for any unvested variable remuneration, it must be subject to the same vesting conditions as those for a person employed or engaged by the entity.

Specified roles

87. The Board, or relevant oversight function, must approve the variable remuneration outcomes for persons in specified roles as follows:
- a. individually for senior managers and executive directors; and
 - b. on a cohort basis for highly-paid material risk-takers, other material risk-takers and risk and financial control personnel.

Other requirements

88. In relation to the requirements for a remuneration policy, where an APRA-regulated entity is part of a group, or corporate group in the case of a private health insurer, the Board of the APRA-regulated entity may adopt and apply a group remuneration policy that is also used by a related body corporate or a connected entity provided that the group remuneration policy:
- a. meets the requirements of this Prudential Standard;
 - b. has been approved by the Board or relevant oversight function; and
 - c. gives appropriate regard to the entity's business activities, its specific requirements and its remuneration framework.

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89. Except in circumstances permitted by law, an APRA-regulated entity must not pay any remuneration (whether directly or indirectly) to, or for the benefit of, a person through vehicles or methods that undermine the effect or intent of the requirements of this Prudential Standard. An APRA-regulated entity must at minimum prevent the following:
- a. the entity indemnifying or insuring (whether directly or through arrangements with another person) the relevant person against the consequences of:
 - b. hedging by any person in a specified role who receives equity or equity-linked deferred variable remuneration, of their economic exposure to the resultant equity price risk before the equity-linked remuneration is fully vested and able to be sold for cash by the recipient. The entity must have a prohibition for such hedging, whether in its remuneration policy, contractual or other documentation, and, define and document the process and actions to be taken where any person in a specified role is in breach of the prohibition.
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90. Paragraph 89 does not apply in respect of a liability for legal costs.

Disclosures

91. An APRA-regulated entity must make clear, comprehensive, meaningful, consistent and comparable public disclosure of information on its remuneration framework and practices, as set out in this Prudential Standard.
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92. An APRA-regulated entity must publish the disclosures required under this Prudential Standard in a standalone document on its website or, provided the information is clearly identified as disclosures made for the purpose of complying with the requirements of this Prudential Standard, as part of other disclosures made by the entity that are available on its website.
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93. An APRA-regulated entity must make disclosures on a financial year basis for each full financial year of the APRA-regulated entity.
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94. An APRA-regulated entity must make the disclosures under this Prudential Standard as soon as possible after it lodges its annual financial statements with ASIC and not more than six months after the end of the financial year to which the disclosures relate. If an entity is not required to lodge financial statements with ASIC, it must make the required disclosures not more than six months after the end of the financial year to which the disclosures relate.
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95. APRA may determine that a non-SFI comply with the quantitative disclosure requirements set out in paragraphs 63 to 73 of this Prudential Standard.

Qualitative Disclosures

96. An APRA-regulated entity must disclose information on the governance of the remuneration framework. This must include:
- a. information on the main bodies that oversee remuneration and the number of meetings held by those bodies during the financial year;
 - b. information on how the Board exercises its discretion in determining remuneration outcomes; and
 - c. a description of how the Board oversees remuneration policies and the input provided by the Board Risk Committee, other Board committees, or the risk function, including the Chief Risk Officer.
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97. An APRA-regulated entity must disclose information on the design and structure of its remuneration framework. This must include a description of how it:
- a. aligns to the entity's business plan, strategic objectives and risk management framework;
 - b. promotes the effective management of both financial and non-financial risks, sustainable performance and long-term soundness;
 - c. supports the prevention and mitigation of conduct risk; and
 - d. for an RSE licensee, promotes the RSE licensee performing its duties and exercising powers in the best financial interests of beneficiaries.
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An APRA-regulated entity must disclose information on its remuneration policy, including:

- a. how the entity aligns variable remuneration outcomes with performance, where relevant;
 - b. a description of the types of positions included in specified roles, as defined in paragraph 20(v) of this Prudential Standard;
 - c. how consequence management is applied in the event of a material breach or misconduct;
 - d. a description of the different forms of variable remuneration offered to employees in specified roles and the rationale for using these different forms (if offered);
 - e. where no variable remuneration is offered (excluding one-off payments), a description of the method used to ensure risk management outcomes are assessed and consequence management applied in the event of a material breach or misconduct; and
 - f. a description of the ways in which the APRA-regulated entity defers and adjusts variable remuneration to take account of longer-term performance, including risk performance.
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Disclosure Compliance to with Prudential Standard CPS511 – Remuneration

Standard Chartered Bank Australia is consistent with the approach for Standard Chartered PLC (the Group) and is aligned to remuneration regulations in Australia and in the UK where we are headquartered.

For detailed information regarding our compliance with the Prudential Standard, please refer to the Annual Report 2024 available on the Standard Chartered Bank Australia website.

The relevant disclosures can be found in:

- Section Title: Director's remuneration report
- Page Number: 143 to 173

You can access the Annual Report 2024 directly [here](#).
