



Senior Executive Remuneration Policy

Policy No. BAPCORP042
Effective date: 22 August 2017
Last Review Date: 19 July 2024
Recommended by: Remuneration & ESGC Committee
Authorised by: Bapcor Board

Our Values



We do the right thing...

We are open, honest and respectful. We do what we say and say what we do.



We are in it together...

We're all part of the Bapcor family. We support each other, include everyone and have fun along the way.



We give a damn...

We care about what we do and are proud of how we do it. We are passionate and make a difference.



We get it done...

We use our unique talents to find solutions and achieve common goals. We celebrate success and strive to win.

Senior Executive Remuneration Policy

1. Introduction

This policy (**Policy**) outlines the approach of the Board of Bapcor Limited (**Bapcor**) to setting remuneration for executive key management personnel (**KMP**) and senior executive roles including the Group Leadership Team (**GLT**). It is designed to attract, motivate and retain high calibre talent while ensuring alignment with shareholder interests and regulatory requirements.

2. Objectives

The key objectives of this Policy are:

- aligning executive remuneration with short-term and long-term strategic goals, ensuring accountability and transparency in pay practices;
 - maintaining competitiveness in the market by benchmarking executive remuneration against industry peers and relevant market data;
 - promoting long-term value creation for shareholders through the use of performance-based incentives; and
 - observing high ethical standards, good corporate governance and comply with relevant laws and regulations.
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3. Scope

This Policy applies to the Chief Executive Officer & Managing Director (**CEO & MD**), Chief Financial Officer (**CFO**) and all members of the GLT. This Policy may also be applied to other roles or individuals from time to time, as nominated by the Board.

4. Guiding principles

The following principles guide the implementation of this Policy:

- **Performance-driven:** Remuneration should be directly linked to Bapcor's financial and non-financial performance and strategic objectives.
 - **Market competitiveness:** Remuneration should be benchmarked with peer companies, ensuring competitiveness to attract and retain top talent.
 - **Long-term alignment:** The Policy emphasises the use of long-term incentives, such as equity based awards, to align executive interests with Bapcor's long-term success and shareholder value creation.
 - **Risk management:** Remuneration structures should be designed to mitigate excessive risk-taking that may compromise Bapcor's financial stability and reputation.
 - **Governance and compliance:** Remuneration decisions comply with any relevant legislation and regulations, applicable ASX Listing Rules, and corporate governance guidelines. The Remuneration & ESG Committee will oversee the implementation of this Policy and ensure its alignment with best practices.
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5. Elements of executive remuneration

Remuneration may be delivered in several forms including the following elements, having regard to the Objectives and Guiding Principles of this Policy:

5.1 Fixed Annual Remuneration (FAR)

- Includes base salary, allowances, superannuation/ pension, salary sacrifice arrangements, other benefits and fringe benefits tax on benefits;
- Determined based on role, responsibilities, experience and market competitiveness;
- Annually reviewed considering Bapcor's performance, individual performance, and market conditions.

5.2 Variable Remuneration

- Designed to reward executives for achieving performance targets and enhancing shareholder value.

a. Short-term incentive (STI)

- At-risk performance-based reward tied to achieving annual financial and non-financial pre-determined objectives; and
- Paid annually in cash and partly deferred equity as set out the STI policy.

b. Long-term incentive (LTI)

- At-risk equity-based awards, aimed to align executive interests with long-term shareholder value creation;
- Subject to performance achievement against pre-determined performance targets;
- Vesting period of typically three years and subject to pre-determined performance conditions; and
- Includes clawback provisions for reclaiming incentives in cases of misconduct or material misstatements in financial results or otherwise in circumstances outlined in the Clawback Policy or Long Term Incentive Plan Rules.

The total of these elements will constitute the Total Remuneration Package (**TRP**).

6. Governance and oversight

The Bapcor Board has ultimate responsibility for evaluating and approving the remuneration policies and packages of KMP, GLT and any other senior executives. The Board is guided by the Remuneration & ESG Committee.

The Remuneration & ESG Committee will be responsible for:

- **Remuneration Policies**, including this Policy:
 - evaluating and approving the remuneration packages (including fixed remuneration, short term and long term incentives and any other benefits or arrangements) of KMP, GLT and other senior executives;
 - equitably, consistently and responsibly rewarding KMP, GLT and senior executives, including incentive targets and achievement of the remuneration outcomes having regard to the performance of Bapcor, the performance of the executives and the general pay environment; and
 - engagement of external remuneration consultants.
- **Short term and long term incentive plans**, including plan term and conditions, performance hurdles if any, invitations to participate in offers and the terms of participation, achievement of performance criteria and the final level of any payments, grants or allocations;
- **Equity plans**, including amendments to the terms of existing plans within the parameters of those plans, administration and operation of the plans, and the ability to clawback performance-based remuneration in certain circumstances.

7. Performance measurement

Performance metrics should be clearly defined, measurable, challenging yet achievable, and reviewed annually by the Remuneration & ESG Committee and recommended by the Committee for approval by the Board.

8. Market positioning of Fixed Remuneration

Remuneration policy mid-points used to set Fixed Annual Remuneration will be based on external market practices, the scope of the role and internal peer relativities. Fixed Annual Remuneration will be based on relevant market practices such as company and job size and complexity, industry sector and geographic spread.

Bapcor's mid-point policy for Fixed Annual Remuneration will be set by relevant market practices. A range will apply to each role to allow scope for the recognition of individual factors, such as:

- competence and performance in fulfilling the role;
- experience and expertise; and
- qualifications.

External peer benchmarking of roles will be undertaken at least every three years or when a role changes substantially.

9. Communication and Transparency

Bapcor will provide clear and transparent communication regarding executive remuneration practices to shareholders, employees, and other stakeholders. Executive remuneration disclosures will be made in accordance with the ASX Listing Rules and best practices to promote transparency and accountability.

10. Review of this Policy

The Remuneration & ESG Committee will review this Policy annually and recommend any changes to the Board for approval.

11. References

Bapcor Code of Conduct	
Bapcor Long Term Incentive Plan	
Bapcor Minimum Shareholding Policy	BAPCORP035
Bapcor GLT Short term Incentive Policy	BAPCORP034
Bapcor Clawback Policy	BAPCORP036
Bapcor Securities Trading Policy	BAPCORP045

12. Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	22 August 2017	NRC
2.0	Review and update policy	29 May 2023	Chief People & Culture Officer
3.0	Review and update policy	19 July 2024	Chief People & Culture Officer