

## Assetinsure Remuneration Framework 2025

This document has been prepared primarily for the purposes of complying with the requirements of prudential standard CPS 511 Remuneration [CPS511(92)] and is reflective of the remuneration framework applied during the financial period ended 31 December 2025 [CPS511(93)].

### Part A: Governance of the Remuneration Framework

The Board is ultimately responsible for the remuneration framework and its effective application.

The remuneration framework is governed by the Board with the support of the Board People and Remuneration Committee. During the period, these governance bodies met:

Governance body	Number of meetings held
Board	9
Board People and Remuneration Committee	2

The Board approves the Remuneration Policy with the Board People and Remuneration Committee providing support in the review process. The review is coordinated by the Chief Risk Officer.

The authority for determining remuneration outcomes is allocated between the Board, the Board People and Remuneration Committee, and the CEO with higher levels of authority applied for roles that have higher potential impact on financial and risk outcomes and/or fixed or variable remuneration allocations that exceed select dollar limits.

The Board retains overriding discretion to adjust variable remuneration (upwards or downwards, including to zero) in consideration of various factors, including:

- to take into account the outcomes of business activities;
- where it is required by law, including the Financial Accountability Regime Act 2023 ('FAR Act'), or APRA Prudential Standards; or
- where a person or group of persons has been found to have engaged in misconduct or exposed Assetinsure to risk beyond risk appetite;
- where it is necessary to protect Assetinsure's long-term soundness;
- any other circumstances the Board determines are relevant.

The policy mandates that in exercising its discretion over remuneration outcomes, the Board must give structured consideration to inputs from multiple sources including:

- Board Risk Committee Chair;
- Board Audit and Compliance Committee Chair;
- Head of People; and
- Chief Risk Officer.

The Board People and Remuneration Committee provides support to the Board in the variable remuneration approval process by considering the adequacy and completeness of the inputs submitted and to make recommendations to the Board on variable remuneration outcomes.

## Part B: Design and Structure of the Remuneration Framework

The remuneration framework is designed to meet both the strategic and operational needs of the business as well as compliance obligations.

The following principles underpin the design and structure of the remuneration framework:

- Appropriate for Assetinsure's size, complexity and risk profile and be straightforward and transparent.
- Support the corporate values and desired culture and reinforce leadership, accountability, and teamwork.
- Sufficiently competitive to attract, retain, and motivate the talent needed to meet Assetinsure's long-term strategic objectives.
- Staff to be rewarded commensurate with the work they undertake, skill, expertise and initiative they apply, and the responsibility they accept.
- Encourage the proactive management of risk and have appropriate consequences for poor risk outcomes by recognising, measuring, and rewarding good and superior performance, risk outcomes and behaviours, while holding staff accountable for poor and adverse performance, risk outcomes and behaviours.
- Full compliance with legislative and regulatory requirements, including the remuneration deferral obligations under the FAR Act, and any relevant industrial awards or standards.
- Avoid gender pay inequity.
- All variable remuneration arrangements are fully discretionary. No employee is entitled to any variable remuneration as a contractual right.
- Equity or equity linked remuneration is not used.

The remuneration framework structure consists of the following components of remuneration with these objectives:

<b>Fixed remuneration</b>	
This is base salary, superannuation and any direct benefits which remunerate staff for performing their ongoing work	
Fixed remuneration	Provides a stable and competitive base. Remunerates staff for performing their ongoing work with the base salary reflective of the skills and experience of an individual and the level of organisational responsibility attached to a role.
<b>Variable remuneration</b>	
This is all non-fixed remuneration and is designed to strengthen the relationship between performance, organisational culture and remuneration. Assetinsure is a Non-Significant Financial Institution under the APRA prudential standards and so variable remuneration is not subject to deferral requirements from the prudential standards, but there are mandatory remuneration deferral requirements under the FAR Act.	
Short Term Incentive	At risk reward for performance in the preceding financial year across a range of financial and non-financial measures. The STI vests upon being awarded and is typically paid within 3 months of the end of the performance period subject to any mandated deferral obligations.
Long Term Incentive	At risk reward for achievement of specific performance goals over a multi-year period creating a direct link with the return experienced by the shareholder. This component is made available to only a small number of staff that have authority to most directly expose Assetinsure to material risk through entering into longer term policies and contracts.  The LTI vests in three equal tranches over a three year period commencing from the start of the relevant performance period. This vesting period aligns with the time horizon of risk of the policies entered into. Vesting of the LTI is dependent upon meeting specified financial targets and passing the Risk Adjustment Gateway including satisfaction of FAR Act requirements.
Other payments	Other one-off types of variable remuneration such as sign-on bonuses and retention payments.

The two key tools used to align the remuneration framework with desired outcomes are:

- **Key Performance Indicators (KPIs)**

KPIs include a combination of financial and non-financial measures designed to align remuneration outcomes with prudent risk management, long-term financial soundness, and the protection of policyholders. Individual KPIs can align with the business unit and/or corporate business plan and strategic objectives, as well as align with target values, and risk outcomes and behaviours.

KPIs are set for each staff member towards the beginning of the performance period and underpin subsequent performance reviews.

The KPIs are structured so as to avoid creating or exacerbating conflicts of interest that could encourage inappropriate practices or aggressive risk-taking and in this way the remuneration framework supports the prevention and mitigation of conduct risk.

- **Risk Adjustment Gateway**

All variable remuneration is subject to a risk adjustment process. This involves a judgement-based application of specified criteria to conclude whether an employee, despite having satisfied other agreed criteria, should not receive all, or a portion of, the variable remuneration. The criteria are referred to in combination as the Risk Adjustment Gateway. Variable remuneration cannot be awarded, vested, or paid without passing through the Risk Adjustment Gateway.

The Risk Adjustment Gateway targets an appropriate balance between performance and risk management and remuneration outcomes such that strong financial performance cannot be rewarded without regard to the impact on policyholders and other risk management outcomes.

The application of the Risk Adjustment Gateway can result in a reduction in variable remuneration that would otherwise be paid, including to nil, and in certain circumstances under the FAR Act must result in such a downward adjustment.

Where application of the Risk Adjustment Gateway concludes that a downward adjustment to variable remuneration is appropriate:

- the reduction shall be proportionate to the severity of risk outcomes including how serious was the misconduct and how significant were the adverse outcomes;
- The reduction shall consider the extent to which the employees actions are assessed as being:
  - # Unintentional - Not on purpose, outside of control. Speaks up about issue and tries to fix it; learns from and shares learnings from event;
  - # Careless - Error/mistake due to poor processes/design, error in judgement or careless execution. Less diligent in actions to resolve or to learn from mistake; or
  - # Intentional - Deliberate, determined, intentional act where consequences are foreseeable. In control of the situation. Covers up and/or blames, does not take accountability or learnings.

## **Part C: Remuneration Policy application**

Additional information is provided here in relation to the application of the remuneration framework to certain roles.

### **Specified Roles**

A component of the remuneration framework involves identifying those roles that meet APRA's definition of Specified Roles for which all variable remuneration outcomes are then subject to APRA directed levels of Board oversight. The application of the APRA definition for Specified Roles is periodically refreshed. The types of positions identified as Specified Roles are:

- Executive Director
- Direct reports of the Chief Executive Officer
- Senior leaders in product teams that have the authority to bind policies and contracts that expose Assetinsure to material risk
- Risk and compliance function senior team members
- Financial control function senior team members.

The minimum level of Board discretion over variable remuneration for certain Specified roles is mandated to be applied on an individual basis and for other Specified roles is mandated to be applied on a cohort basis. These requirements are satisfied by having the Board approve the variable remuneration outcomes on an individual basis for all persons occupying any of the Specified roles.

The forms of variable remuneration offered to employees in Specified Roles is the same as those offered to other employees. These forms are considered to be adequate in supporting the achievement of targeted performance, risk outcomes and behaviours.

### **Financial Accountability Regime Act 2023**

The FAR Act introduced deferred remuneration obligations applying to remuneration decisions that occur from 15 March 2025 in relation to persons identified as Accountable Persons under the legislation.

Assetinsure defers payment of 40% of an accountable person's variable remuneration for a financial year, for a minimum of four years, where the deferred amount is not less than \$50,000, has established processes to monitor and effect the payment of deferred amounts that are otherwise not reduced or eliminated, and will ensure that any reduced variable remuneration (as a result of a confirmed breach) is not paid or transferred to the Accountable Person.

### **Availability of variable remuneration**

The application of variable remuneration is an important tool in supporting the achievement of targeted performance, risk outcomes and behaviours.

However, it is recognised that there are certain roles, or periods, when a person may not be eligible for variable remuneration. In those cases, other methods are applied to ensure appropriate risk management outcomes. Those cases are:

**Probation period;** All staff roles are eligible to participate in variable remuneration upon completion of the probation period. During the period of probation, staff are subject to close supervision to ensure risk management outcomes are assessed. Where risk management outcomes are not considered acceptable, Assetinsure's right to end the employment relationship will be exercised as part of the consequence management framework.

**Contractors** do not participate in variable remuneration arrangements. However, in exceptional circumstances, the CEO may exercise discretion and award a short term incentive to a contractor, in which case the variable remuneration requirements in this policy must be applied to the extent possible. Where risk management outcomes are not considered acceptable, Assetinsure will terminate the arrangement in accordance with people management protocols.