

Remuneration Policy Statement 2024

Employers Mutual Limited and Hospitality Industry Insurance Limited are APRA regulated general insurers and subject to the requirements APRA Prudential Standard CPS511- Remuneration. Both companies have Board Remuneration Committees (BRC) overseeing the Remuneration Policy and Framework along with a Board Risk & Compliance Committee (BRiCC) which considers risks associated with remuneration.

The BRC meets twice a year and more often as required to consider remuneration matters under the Remuneration Policy and Framework. The BRC met three times during the financial year to 30 June 2024.

The BRiCC meets three times a year and more often as required and considers any specific risks relating to remuneration as part of its interaction with the BRC. The BRiCC met three times during the financial year to 30 June 2024.

The Board Remuneration Policy & Framework sets out the requirements for overseeing performance-based remuneration including the setting of performance-based remuneration for specified senior management roles including material risk takers and risk and financial control personnel as specified under CPS511.

In considering performance-based remuneration, the BRC will have regards to the following elements.

- (a) the alignment of variable remuneration outcomes with business performance and risk outcomes including financial and non-financial risks that could materially impact the entity's risk profile, sustainable performance and long-term soundness;
- (b) the appropriateness of the performance-based remuneration for risk and financial control personnel so that any performance-based component of remuneration does not compromise the independence of these people in carry out their functions; and
- (c) reflect the appropriate application of variable remuneration adjustment tools in variable remuneration outcomes. There are a number of adjustment tools available to adjust, defer and clawback performance-based remuneration.

The BRC will confer with the BRiCC to consider any specific risk issues for consideration in setting or awarding performance-based remuneration or the application of adjustment tools ahead of making a recommendation to the Board.

The respective Boards of each insurance company oversee the operation of the Remuneration Policy & Framework receiving recommendations from the BRC to vary the Policy & Framework and the making of performance-based remuneration awards. The Board will also have regard to any recommendations from the BRiCC in respect of specific risk issues relating to remuneration setting and the making of awards.

The Board is also responsible for approving the Remuneration Policy & Framework and for approving performance-based remuneration setting and awards. The Chief Risk Officer is also responsible for making inputs into the remuneration setting and award process providing information on any pertinent risks for consideration by the BRC and the BRiCC ahead of making approval recommendations to the Board in accordance with the Remuneration Policy & Framework.

This Statement was approved by the respective Boards of Employers Mutual Limited and Hospitality Industry Insurance Limited on 26 September 2024.