EML
MUTUAL SINCE 1910

Remuneration Statement

Employers Mutual Limited

Table of Contents

Application 3

Scope 3

Introduction 3

Remuneration Statement 3

AGGREGATE TOTAL REMUNERATION 3

ALLOCATION OF INDIVDUAL AMOUNTS WITHIN THE AGGREGATE 4

OTHER 4

Application

This Statement applies to Employers Mutual Limited only.

Scope

The scope of this Statement is the remuneration paid to Directors of Employers Mutual Limited in accordance with clause 10 of the Company's Constitution. Specifically this statement is the statement referred to in clause 10(b) of the Company's Constitution.

Introduction

Employers Mutual in an APRA regulated general insurer. It underwrites insurance directly and is also a shareholder and level 2 insurance group in respect of Hospitality Industry Insurance (an APRA regulated level 1 insurer). Employers Mutual is also a Partner in the Insurance Management Partnership owned equally with ASWIG Management Pty Ltd.

The collective business that Employers Mutual either owns or is a significant shareholder generates over $700 million in administration revenue and $250 million in insurance premium annually. The Group employs over 4,000 staff and services more than 50,000 clients.

The Board of Employers Mutual is required to meet the requirements of relevant APRA standards including skills and experience to undertake a role of this scale. The composition of the Board must have a majority independent Directors and an independent Chairperson.

Remuneration Statement

Noting the scale of the business and the requirements of Directors in executing their responsibilities, this statement outlines the parameters within which the Board will determine the remuneration of individual Directors.

AGGREGATE TOTAL REMUNERATION

a) The aggregate total amount of base remuneration paid to Directors will be $650,000 per annum. This amount will be indexed annually in June based on the movement average weekly earnings in Australia as published by the Australian Bureau of Statistics.
b) Directors will be entitled to receive the statutory amount of superannuation as set out by the Australia Taxation Office in the superannuation guarantee percentage.
c) Any payment of superannuation that is paid in accordance with clause 2.1(b) will not form part of the aggregate total amount of base remuneration set in clause 2.1(a)

ALLOCATION OF INDIVDUAL AMOUNTS WITHIN THE AGGREGATE

The Board will determine the amount paid to each individual Director, subject to the following

a) Each non-executive Director will be paid the same remuneration. The Board may determine to pay an executive Director a lower amount of remuneration.
b) Additional remuneration will be paid to the Director who is appointed as the Chairperson of the Board. The additional remuneration will be calculated as 50% of the remuneration paid to each non-executive Director.
c) There will be no additional remuneration paid to a Director who also holds the role of Chair of a Board Committee.

OTHER

a) Payments will be made quarterly in arrears in July, October, January and April. Where are Director is appointment for less than the full quarter preceding the payment date, the relevant amount will be prorated based on the number of days the Directors was appointed during the quarter.
b) In accordance with clause 10.5(a) of the Company's Constitution, Directors will be reimbursed for expenses reasonably incurred in the performance of their role. These payments will not form part of the aggregate total amount of base remuneration set in clause 2.1(a)
c) Where a Director is paid for specific services in accordance with clause 10.5(c) of the Company's Constitution, these payments will not form part of the aggregate total amount of base remuneration set in clause 2.1(a)
d) The Board will consider remuneration payments annually and will have reference to all relevant factors, including the below, when determining any changes to remuneration:
    a. Movement in inflation
    b. Change to the nature, scale or complexity of the business of the Company
    c. Change to the risk profile of the Company
    d. Change to the required time commitment

Level 3, 345 George St
Sydney NSW 2000
T: 02 8251 9000
1800 469 931 (toll free)
E: info@eml.com.au
W: eml.com.au