

Remuneration Policy Statement

Employers Mutual Limited and Hospitality Industry Insurance Limited

Employers Mutual Limited (EML) and Hospitality Industry Insurance Limited (HII) are APRA-regulated general insurers subject to APRA Prudential Standard CPS 511 – *Remuneration*.

Both entities are **non-Significant Financial Institutions (non-SFIs)** for the purposes of CPS 511. APRA has not made a determination under paragraph 95 requiring either entity to comply with the quantitative disclosure requirements in paragraphs 63 to 73 of CPS 511. Accordingly, this statement addresses the qualitative disclosure requirements set out in paragraphs 91 to 98 of the standard.

Governance of the Remuneration Framework

The Boards of EML and HII are responsible for overseeing the design, implementation and operation of the Remuneration Policy & Framework to ensure remuneration arrangements support the long-term financial soundness of the entities and effective risk management.

Each entity has established a **Board Remuneration Committee (BRC)** that has a minimum of three non-executive directors, the majority of which must be independent. The BRC oversees remuneration matters in accordance with the Remuneration Policy & Framework, including remuneration outcomes for specified roles.

The BRC is supported by the **Board Risk Committee**, which provides independent input on financial and non-financial risks relevant to remuneration decisions.

The BRC meets at least twice annually, and more frequently as required. During the financial year ended 30 June 2026, the EML BRC met twice and the HII BRC met two times.

The Risk Committee meets at least three times annually and considers remuneration-related matters as part of its broader oversight of risk management. During the financial year ended 30 June 2026, the Risk Committee met three times.

Exercise of Board Discretion

The Boards retain discretion to adjust remuneration outcomes to ensure alignment with risk, conduct and performance outcomes. Board discretion may be exercised where warranted, including (but not limited to) circumstances involving:

- material financial or non-financial risk outcomes;
- conduct or compliance issues;
- risk management or control weaknesses;
- accountability, decision-quality or governance concerns; or
- adverse customer or regulatory outcomes.

Where discretion is applied, it may result in downward adjustment, deferral, reduction, cancellation or clawback of variable remuneration (where applicable), or other appropriate consequence management actions. The exercise of discretion is informed by input from the BRC, Risk Committee and the Chief Risk Officer and is documented through governance processes.

Design of the Remuneration Framework

The Remuneration Policy & Framework is designed to align remuneration outcomes with the entities' business plans, strategic objectives and risk management frameworks. Remuneration arrangements are structured to promote sustainable performance and discourage excessive or imprudent risk-taking.

Financial and non-financial risks – including compliance, conduct, culture and customer outcomes – are embedded within remuneration governance through:

- defined risk and conduct assessment criteria;
- consideration of risk outcomes and incidents in remuneration decision-making; and
- escalation and review through remuneration committee reporting and governance processes.

These mechanisms operate regardless of the availability of variable remuneration.

Specified Roles

The Remuneration Policy & Framework applies to specified roles, including:

- **Senior Management**, being individuals with executive responsibility for the management of the entities;
- **Material Risk Takers**, whose roles may materially affect the entities' risk profile; and
- **Risk and Financial Control Personnel**, including individuals responsible for risk management, compliance, finance, and actuarial functions.

Remuneration for risk and financial control personnel is structured to preserve independence and objectivity and does not create incentives that could compromise their ability to effectively discharge their responsibilities.

Consequence Management and Adjustment Mechanisms

The Remuneration Framework includes mechanisms to support effective consequence management where concerns arise, including in relation to misconduct, risk management failures, compliance breaches or poor decision-making. These mechanisms may be applied even where variable remuneration is not offered. These mechanisms may include performance management and rectification of the risk impact through Board oversight resolution.

Where variable remuneration applies, the framework includes adjustment tools such as deferral, reduction, malus and clawback. These tools are designed to reflect longer-term performance and risk outcomes and may be triggered by adverse events that emerge over time. The selection and application of adjustment mechanisms are proportionate to the nature, scale and complexity of the entities and are subject to Board oversight. From 1 July 2025, remuneration for Specified Roles for Employers Mutual and HII does not include performance-based remuneration.

Risk Input into Remuneration Decisions

The Chief Risk Officer provides independent input into remuneration considerations, including information on material risk outcomes, emerging risks, conduct or compliance matters and control effectiveness. This input is considered by the BRC and Risk Committee prior to recommendations being made to the Boards.

Approval and Review

The respective Boards approve the Remuneration Policy & Framework and any material amendments to it. The Boards also approve performance-based remuneration settings and outcomes, having regard to recommendations from the BRC and risk input from the Risk Committee.

This Remuneration Policy Statement was approved by the Boards of Employers Mutual Limited on 4 August 2026 and the Hospitality Industry Insurance Limited on 15 September 2026, respectively.