



Pacific International Insurance Pty Ltd (Pacific)

CPS 511 Remuneration Disclosure Statement

As of 20 November 2025, for the 2025 financial year

1. Governance of the Remuneration Framework

Pacific's **Board of Directors** holds ultimate responsible for the remuneration framework and it's the effective application. The **Board of Directors** established a **Board Remuneration Committee** tasked with the responsibility of ensuring that sound remuneration practices are being observed, reviewing and recommending remuneration matters, overseeing the design, operation, monitoring and implementation and application of the framework, annual salary budgets, and variable remuneration parameters. The Board retains ultimate responsibility and may adjust performance-based components of remuneration to ensure financial soundness and alignment with risk outcomes. The **Board Remuneration Committee** may consult the Board Risk Committee and Chief Risk Officer to ensure risk outcomes are reflected in remuneration decisions which is then overseen by the Board.

The Board Remuneration Committee met once during the 2024–25 financial year to review remuneration outcomes and ensure alignment with Pacific's risk appetite and strategic objectives.

2. Design and Structure of the Remuneration Framework

Pacific's remuneration framework is designed to:

- Support the company's strategic objectives, including growth, profitability, and customer satisfaction.
- Promote prudent risk-taking and long-term financial soundness and encourages ethical conduct (mitigating conduct risk) in accordance with the risk management framework.

- Align employee performance with both financial and non-financial outcomes.

Remuneration consists of:

- **Fixed reward** (inclusive of superannuation)
- **Variable reward** through structured incentive schemes

No equity or equity-linked remuneration is offered, in accordance with CPS 511 requirements.

Variable reward is intended to recognise and reward performance beyond the expectations of the role. Not all variable reward arrangements are structured identically; some may be tailored to specific roles to reflect their unique contribution to the organisation's goals. All are subject to downward adjustment or ineligibility for breach of relevant standards such as a regulatory breach.

3. Remuneration Policy and Risk Alignment

The Remuneration Policy is reviewed annually to ensure it remains aligned with our strategic objectives, market practices, and regulatory expectations. Following review, it is endorsed by the Remuneration Committee and subsequently approved by the Board.

Pacific's remuneration policy ensures that:

- Variable remuneration is only awarded when performance thresholds are met including financial and non-financial results.
- Employees subject to formal performance management are excluded from incentive eligibility.
- The Board may reduce or cancel variable remuneration in response to misconduct, regulatory breaches, or financial misstatements. Specified roles such as senior management, executive directors, material risk takers and risk and financial control employees are subject to enhanced oversight and performance-based remuneration structures aimed to identify and mitigate material conflicts to ensure remuneration structures do not incentivise behaviour misaligned with the Pacific's risk appetite, sustainable and long-term soundness. Executive variable rewards include deferral mechanisms and clawback provisions to manage long-term risk.

Pacific has a Conflict-of-Interest Policy that supports the identification, notification and monitoring of material conflicts.

4. Specified Roles

The roles subject to enhanced oversight and performance-based remuneration structures, as outlined in Section 3 for the 2024/2025 financial year, were:

- Chief Executive Officer
- Chief Financial Officer
- Chief Risk Officer
- Chief Operating Officer
- Head of Internal Audit
- Chief Underwriting Officer
- Chief Executive Officer – Rapid Solutions

4. Consequence Management

Pacific applies consequence management where necessary, including:

- Forfeiture of deferred payments upon resignation (for those executives subject to deferral unless classified as a “Good Leaver”).
- Clawback of vested or unvested rewards in cases of misconduct or regulatory breaches.
- Adjustments to remuneration outcomes based on risk and compliance assessments.

5. Annual Review and Disclosure

This disclosure is made in accordance with the qualitative disclosure requirements for non-Significant Financial Institution (non-SFIs) under **APRA Prudential Standard CPS 511**. The remuneration framework was last reviewed and approved by the Board in August 2025 in line with CPS 511 annual review expectations. This statement will be updated annually and made publicly available on Pacific’s website with prior years’ disclosures retained for stakeholder reference.