Pacific International Insurance Pty Ltd (Pacific)

CPS 511 Remuneration Disclosure Statement

As at Board Approval on of 5 November 2026, for the 2026 financial year

1. Governance of the Remuneration Framework

Pacific's **Board of Directors** holds ultimate responsibility for the remuneration framework and it's the effective application and approved the Remuneration Policy. The **Board of Directors** had established a **Board Remuneration Committee** tasked with the responsibility of ensuring that sound remuneration practices are being observed, reviewing and recommending remuneration matters, to the Board, including the remuneration of the Chief Executive Officer, and overseeing the design, operation, monitoring and application of the framework, annual salary budgets, and variable remuneration parameters.

The Board approves the variable remuneration outcomes of persons in Specified Roles before any payment is made individually for senior managers and executive directors, and on a cohort basis for material risk-takers and risk and financial control personnel. In doing so, the Board may adjust performance-based components of remuneration downwards, to zero if appropriate, for individuals or classes of persons, where this is necessary to ensure Pacific's ongoing financial soundness or to respond to significant unexpected or unintended consequences. Deferred variable remuneration awarded in prior financial years remains subject to forfeiture, malus and clawback, as described in section 5.

Pacific's Board oversees the Remuneration Policy through the Board Remuneration Committee, which reviews the Policy and recommends it to the Board for approval.

Before the Board Remuneration Committee made its recommendations on variable remuneration outcomes for the 2025/26 financial year, the Chief Risk Officer and the Head of People and Culture confirmed in writing to the Committee whether any matter had been identified, in relation to a person in a Specified Role during the performance period or up to the date of the confirmation, involving fraud, dishonesty or other misconduct, a breach of regulatory requirements leading to significant harm to Pacific, or an open or recently concluded investigation into any such matter. The review covered the incident and breach register, People and Culture and employee relations records, whistleblower disclosures, complaints and remediation matters, internal audit findings, and correspondence with regulators. No such matter was identified.

Neither the Chief Risk Officer nor the Head of People and Culture held a Specified Role for the 2025/26 financial year. The current Chief Risk Officer was appointed after 30 June 2026, and the Head of People and Culture was not a Specified Role for that year. Neither was therefore required to confirm matters relating to their own conduct.

Material misstatement of financial results, which is also a ground for adjusting variable remuneration under the Remuneration Policy, is addressed through Pacific's audited financial statements for the 2025/26 financial year.

The Board Remuneration Committee may also consult the Board Risk Committee so that risk outcomes are reflected in remuneration outcomes.

The Board Remuneration Committee met once, and the Board met five times during the financial year ended 30 June 2026. Variable remuneration outcomes for the financial year ended 30 June 2026 were reviewed by the Board Remuneration Committee and approved by the Board by circular resolution in November 2026, after the end of the financial year, to 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 Pacific's business plan and strategic objectives, including growth, profitability, customer satisfaction and align with Pacific's risk management framework.
- Promote prudent risk-taking and the effective management of both financial and non-financial risks, sustainable performance and long-term financial soundness, consistent with the Board's risk appetite.
- Encourage ethical conduct and support the prevention and mitigation of conduct risk, including by ensuring incentive-based pay does not create conflicts and is aligned with customer interests.
- Align employee performance with both financial and non-financial outcomes.

Pacific achieves these aims by linking variable remuneration to audited financial results and to individual performance assessed through its annual performance review process, deferring part of executive variable remuneration, requiring Board approval of variable remuneration outcomes for persons in Specified Roles, and subjecting variable remuneration to Board discretion, forfeiture, malus and clawback where performance, risk or conduct outcomes require it. These features are described in sections 3 and 5.

Remuneration consists of:

- **Fixed reward** (inclusive of superannuation) or other government-mandated retirement savings contributions); and
- **Variable reward** through structured incentive schemes, paid in cash.

No equity or equity-linked remuneration is offered. Accordingly, the CPS 511 requirements that apply to equity-linked deferred variable remuneration, including the prohibition on hedging, do not currently apply to Pacific.

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 Pacific's strategic objectives, market practices, and regulatory expectations. Following review, it is endorsed by the Board 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. The Employee Incentive Scheme and the Executive Variable Reward Scheme are each activated only if a company profit threshold, measured on audited financial results, is achieved, and individual eligibility depends on the outcome of Pacific's annual performance review.
- Employees who have been subject to formal performance management resulting in a written warning during the financial year are not eligible for the Employee Incentive Scheme are excluded from incentive eligibility.
- The Board may reduce or cancel variable remuneration in response to misconduct, regulatory breaches, or financial misstatements. Persons in Specified Roles (senior managers, executive directors, material risk-takers and

risk and financial control personnel) are subject to enhanced oversight including Board approval of their variable remuneration outcomes, and to performance-based remuneration structures designed to identify and mitigate material conflicts and to ensure remuneration structures do not incentivise behaviour misaligned with Pacific's risk appetite, sustainable performance and long-term soundness. Executive variable rewards include deferral mechanisms and clawback provisions to manage long-term risk, as described in section 5.

The forms of variable remuneration offered to persons in Specified Roles, and the rationale for each, are:

- **Executive Variable Reward Scheme**: offered by annual invitation to executives. Outcomes are determined by Pacific's audited earnings before interest and tax and by individual performance against objectives set at the start of the financial year. The rationale is to reward executives for their contribution to Pacific's performance while deferring part of the reward so that it remains at risk against longer-term performance and risk outcomes.
- **Chief Executive Officer variable remuneration**: structured on the same basis as the Executive Variable Reward Scheme (a company profit threshold, an individual performance assessment and the same immediate and deferred components), with a higher variable remuneration opportunity that reflects the scope and accountability of the role. The Chief Executive Officer's remuneration is reviewed by the Board Remuneration Committee and approved by the Board.
- **Employee Incentive Scheme**: a business-wide scheme in which persons in Specified Roles who are not invited to the Executive Variable Reward Scheme participate, including risk and financial control personnel. It is activated only if a bottom-line profit result is achieved, is determined by income and expenditure levels, profit margin and non-financial measures. The rationale is to reward collective contribution to Pacific's results at a modest level. For risk and financial control personnel, individual eligibility depends on performance against the objectives of their own role rather than the performance of the business activities they control, which supports their independence.

Non-executive Directors receive fees only and do not receive variable remuneration.

Pacific has a Conflict-of-Interest Policy that supports the identification, notification and monitoring of material conflicts. No person participates in a recommendation or decision about their own variable remuneration.

4. Specified Roles

Specified Roles are senior managers, executive directors, material risk-takers (including highly paid material risk-takers) and risk and financial control personnel, as defined in CPS 511. The types of positions in Specified Roles for the financial year ended 30 June 2026, grouped by CPS 511 category, were:

Senior Managers

- Chief Executive Officer
- Chief Financial Officer
- Head of Risk & Compliance (Chief Risk Officer)
- Chief Operating Officer
- Head of Internal Audit (including in an acting capacity)
- Chief Underwriting Officer
- Chief Executive Officer, Rapid Solutions
- Chief Information Security Officer
- Executive Head of Partner Distribution
- Chief Operating Officer, New Zealand Branch
- Head of Customer Operations, Pet and Motor

Executive Director

- Chief Executive Officer (also listed as a senior manager)

Risk and financial control personnel

- Chief Financial Officer, Chief Risk Officer and Head of Internal Audit (also listed as senior managers)
- Risk management positions, including first line risk, operational risk and insurance and financial risk positions
- Compliance positions, including risk and compliance advisory and legal compliance positions
- Internal audit positions
- Financial control positions, including financial management, accounting, bookkeeping and finance support positions

Material risk-takers

- Pacific's material risk-takers for FY25/26 were the persons in the senior manager roles listed above.

5. Consequence Management, Deferral and Adjustment

Pacific applies consequence management where necessary, including in the event of a material breach or misconduct, through:

- Forfeiture of unvested deferred variable remuneration on voluntary resignation, unless the executive is granted "Good Leaver" status. Where Good Leaver status is granted, deferred variable remuneration vests on its original schedule and remains subject to malus and clawback.
- Malus and clawback of deferred variable remuneration: unvested deferred variable remuneration may be reduced or cancelled before it vests (malus), and vested deferred variable remuneration may be recovered (clawback), where an executive has engaged in fraud, dishonesty or other misconduct, where Pacific's financial statements are materially misstated resulting in an overpayment, where an executive has breached regulatory requirements leading to significant harm to Pacific, or in any other situation where Pacific considers it necessary to protect the interests of Pacific and its stakeholders. These provisions continue to apply after employment ends.
- In-period adjustment: before variable remuneration is awarded, the Board may adjust performance-based components of remuneration downwards, to zero if appropriate, having regard to risk and compliance assessments, including the confirmation described in section 1.

Under the Executive Variable Reward Scheme, 60% of the variable reward is paid in cash following the end of the financial year and 40% is deferred and paid two years after the end of the financial year in which it was earned, subject to continued employment (unless Good Leaver status is granted) and to the provisions above. The same structure applies to the Chief Executive Officer's variable remuneration. For accountable persons under the Financial Accountability Regime Act 2023 (Cth), the deferral period is extended to four years where the deferred amount exceeds the threshold under that Act. Employee Incentive Scheme payments are not deferred.

No in-period adjustment, malus or clawback was applied to the variable remuneration of any person in a Specified Role for the financial year ended 30 June 2026.

6. 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 Policy was last reviewed and approved by the Board in August 2025. This statement will be updated annually and made publicly available on Pacific's website with prior years' disclosures retained for at least five years.