

CPS 511 Remuneration Disclosure

As at 23 July 2025

1. Purpose

As wholly owned subsidiaries of **St Andrew's Australia Services Pty Ltd** and licensed insurers, regulated by the Australian Prudential Regulation Authority (APRA), **Hallmark Life Insurance Company Ltd.** and **Hallmark General Insurance Company Ltd.** (together, "St Andrew's" or "St Andrew's Group") is required to disclose information relating to its remuneration framework, including in relation to remuneration structure, design, governance and outcomes.

The information contained in this document has been prepared in accordance with the disclosure requirements as set out under APRA Prudential Standard CPS 511 - Remuneration.

2. Remuneration Governance

The Board

The St Andrew's Group Board (the "Board") meets at a minimum of four times per year and in relation to remuneration, is responsible for determining the Remuneration Policy, determining individual remuneration arrangements for certain, specified roles (as defined in section 4.2), remuneration structures for specified roles where changes occur relative to the prior year, and all equity award plans.

The Board Remuneration Committee

The Board Remuneration Committee ("RemCo" or the "Committee") has delegated responsibility from the Board, for oversight of the implementation and operation of St Andrew's remuneration framework. It meets at a frequency determined by the Committee, at a minimum of once per year. The Committee has free and unfettered access to any personnel or relevant parties (internal and external) as required to fulfill its duties.

The Committee is responsible for:

- Reviewing and making recommendations to the Board on the Remuneration Policy.
- Reviewing and recommending remuneration arrangements of St Andrew's non-executive directors and for those in specified roles, to the Board.
- Reviewing and making recommendations to the Board that include performance measures and risk outcomes in relation to Short-Term Incentive (STI) and Long-Term Incentive (LTI) grants for specified roles and setting variable remuneration pools across St Andrew's.
- Making recommendations to the Board in relation to malus and / or clawback where applicable.

All reviews conducted by the Committee include consideration of performance and risk outcomes of the CEO, Executives, and other specified roles, as well as for the remainder of employees of St Andrew's as a whole. The reviews include direct input from the St Andrew's Chief Risk Officer (CRO) and are not based on self-assessment alone.

Chief Executive Officer

An annual remuneration process is undertaken by the Executive Management Committee ("EMC"), with recommendations made to the CEO on individual remuneration outcomes. The CEO also reviews and makes recommendations to the RemCo regarding remuneration for specified roles.

The CEO is also responsible for the annual review of the effectiveness of the remuneration framework and where necessary, makes recommendations for amendments to the RemCo (with input from the CRO or external parties as required).

3. Design and Structure

St Andrew's remuneration framework:

- Aligns to its Business Plan, strategic objectives and Risk Management Framework;
- Promotes effective management of financial and non-financial risks, sustainable performance and long-term stability; and
- Supports the prevention and mitigation of conduct risk.

There are several elements that comprise the remuneration framework to ensure this occurs, including:

- i) Governance and oversight – the Board has overall responsibility for St Andrew's remuneration framework and approval of remuneration arrangements. The RemCo has delegated responsibility from the Board for overseeing the design, implementation, operation and monitoring of the remuneration framework, and making recommendations to the Board in relation to remuneration arrangements for the CEO, Executives and other specified roles.
- ii) Remuneration Policy – the Board approved Remuneration Policy sets out St Andrew's approach to how it compensates employees and aligns employee pay to company objectives, values, risk appetite, industry standards and regulatory requirements.
- iii) Performance and reward framework – performance and risk outcomes are evaluated during the annual performance review process, and any reward is subject to compliance with regulatory and legislative obligations.
- iv) Consequence management – all employees are subject to consequences where poor performance or misconduct is identified, such as performance improvement plans, formal warnings, adjustment of variable reward outcomes and/or termination of employment.

4. Remuneration Policy

4.1 Purpose

St Andrew's Remuneration Policy (the "Policy") is a key element of its remuneration framework. The Policy acts as a strategic tool to attract, retain and motivate talent by ensuring fair and competitive compensation arrangements, and sets out how it approaches employee compensation whilst ensuring alignment with company objectives, effective risk management and long-term sustainability.

The Policy applies to St Andrew's Australia Services Pty Ltd (St Andrew's) and all its subsidiaries collectively and includes all employees, contractors and company directors, operating on behalf of St Andrew's.

4.2 Specified Roles

The positions that are included under the Policy as specified roles include:

- Accountable Persons as defined under the FAR Act 2023;
- Responsible Persons as defined under APRA Prudential Standard CPS 520 - Fit and Proper;

- Material Risk Takers who are those persons for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of St Andrew's; and
- Risk and Financial Control Personnel (RFCP)— employees whose primary role is risk management, compliance, internal audit, financial control or actuarial control.

4.3 Variable Remuneration

4.3.1 Short-Term Incentives (STI)

STI are a component of variable remuneration that are performance based and designed to reward employee contribution to the achievement of strategic objectives, customer, financial and risk outcomes, and behaviors and conduct aligned to St Andrew's values. Maximum opportunity caps are applied to certain roles, including:

- STI outcomes for RFCP may not exceed 60% of fixed remuneration, unless otherwise recommended by the RemCo and approved by the Board; and
- Deferral and allocation requirements for Accountable Persons under the FAR Act 2023 determine how variable remuneration is allocated and vests.

4.3.2 Long-Term Incentives (LTI)

LTI are a component of variable remuneration for senior employees, designed to reward decisions focused on long-term, sustainable performance and to align employee and shareholder interests, as well as encouraging the retention of employees. Various measures are in place to control the risks associated with LTI:

- a risk adjustment of an individual's LTI giving consideration to risk incidents that arise;
- awards not vesting where St Andrew's performance is below a threshold determined by the Board; and
- Deferral requirements for Accountable Persons under the FAR Act 2023 which effectively sets a minimum proportion of variable remuneration that is awarded as LTI in certain circumstances.

4.4 Consequence Management

St Andrew's maintains a consequence management approach whereby certain matters may impact an employee's performance rating and/or impact on remuneration outcomes, including fixed pay increases, STI or LTI outcomes (including a reduction to zero if appropriate). Circumstances where adjustments may be applied in relation to an employee's variable remuneration include, but are not limited to incidents where the employee:

- engaged in serious misconduct or a breach of their employment obligations;
- failed to meet conduct and behavioral standards;
- contributed to a material misstatement in, or omission from, St Andrew's financial statements, or a misstatement of a performance condition applying to the individual's variable remuneration outcome (e.g. STI or LTI);
- acted, or failed to act, in a way that contributed to material reputational damage to St Andrew's;
- received a STI or LTI where all or part of the initial award was not justified having regard to the circumstances or information which comes to light after a variable remuneration award has been;
- acted, or failed to act, in a way that contributed to a significant failure of financial or non-financial risk management; and/or
- acted, or failed to act, in a way that contributed to a significant failure or breach of accountability, fitness and propriety, or compliance obligations.