

Swiss Re Australia Remuneration Disclosures - 2024

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Introduction

The following remuneration disclosures have been prepared by:

- Swiss Re Life and Health Australia Limited (**SRLHA**)
- Swiss Re International SE, Australia Branch (**SRIAU**)
- Swiss Re Asia Pte. Ltd., Australia Branch (**SRALAU**),
(collectively, referred to as **Swiss Re Australia**),

in accordance with the Australian Prudential Regulation Authority's (**APRA**) remuneration disclosure requirements under Prudential Standard CPS 511 Remuneration (**CPS 511**).

CPS 511, paragraphs 91 to 98, requires APRA regulated entities to disclose certain information about their remuneration practices. The Swiss Re Australia entities are making this disclosure as a Non-Significant Financial Institution for the 2024 financial year (1 January 2024 – 31 December 2024) to satisfy these requirements.

Qualitative disclosures

1. Compensation Governance

1.1. Global Compensation Committee

Swiss Re Limited (**Swiss Re**) has established a Board Compensation Committee to oversee the compensation framework applied at all entities of the Swiss Re Group, as set out in the Swiss Re Standard on Compensation (**Compensation Standard**).

Swiss Re Australia are entities of Swiss Re and are subject to Swiss Re's Compensation Standard.

Swiss Re's Compensation Standard provides the Swiss Re Board's Compensation Committee with the authority to make recommendations to Swiss Re's Board of Directors (**Board**) and oversee Swiss Re's global design and implementation of compensation principles, framework, policies, plans and disclosure. This Compensation Committee also reviews Swiss Re's compensation principles, policies and share-based plans to ensure that they remain in line with Swiss Re's objectives and strategy, shareholders' interests and legal and regulatory requirements, and that they support appropriate and controlled risk taking.

Swiss Re's Articles of Association and the Compensation Committee's Charter of Duties documents the Compensation Committee's duties, as well as the qualifications and elections of Compensation Committee members.

1.2. Swiss Re Australia compensation governance

Swiss Re Life and Health Australia Limited

The SRLHA Board of Directors is ultimately responsible for the compensation framework of SRLHA and its effective application. The SRLHA Board of Directors has established a People and Culture Committee (**PCC**) to assist the SRLHA Board of Directors in fulfilling its oversight and approval responsibilities as they relate to the entity's people and culture policies, including the remuneration

framework, and its application and the annual compensation of nominated individuals and sub-groups.

The PCC is guided by the remuneration frameworks and provided with complete and open access to management and is required to coordinate access to any other employees of SRLHA with the Chairman of the SRLHA Board. The PCC is also authorised to take independent professional advice as it considers necessary. Additionally, the PCC:

- consults with the Chair of the SRLHA Risk Committee, with input from the Chief Risk Officer Australia & New Zealand, to guide risk behaviours and ensure outcomes are appropriately reflected in compensation outcomes for persons in Specified Roles;
- ensures appropriate application of Consequence Management in line with Consequences Management Framework; and
- makes recommendations to the Board of Directors of SRLHA in relation to remuneration outcomes of the Specified Roles set out in the remuneration framework.

In the 2024 financial year, the PCC comprised of a minimum of three directors (all of whom were independent non-executive directors) being:

- Mr James Minto (Chairman),
- Ms Jan Swinhoe, and
- Ms Annette King.

The Chairman of the PCC is an independent non-executive director. The PCC met 5 times during the 2024 financial year and the Board of Directors of SRLHA met 7 times during the 2024 financial year.

Swiss Re Asia Pte. Ltd., Australia Branch and Swiss Re International SE, Australia Branch

The Senior Officers Outside Australia (**SOOA**) of SRALAU and SRIAU are ultimately responsible for the remuneration framework of SRALAU and SRIAU and its effective application.

The SOOAs' duties are set out in Swiss Re Australia's Compensation Governance Framework document, and include the duties to approve remuneration policies and frameworks as they apply to SRALAU and SRIAU, as well as approve the compensation arrangements for employees in Specified Roles.

To assist the SOOAs in the exercise of their remuneration responsibilities, they are supported by an advisory board (comprising the same members as the Board of Directors of SRLHA), and have access to risk and financial control personnel, and other relevant parties to help inform appropriate remuneration outcomes for Specified Roles. The SOOAs may also seek independent professional advice as they consider necessary.

Specified Roles

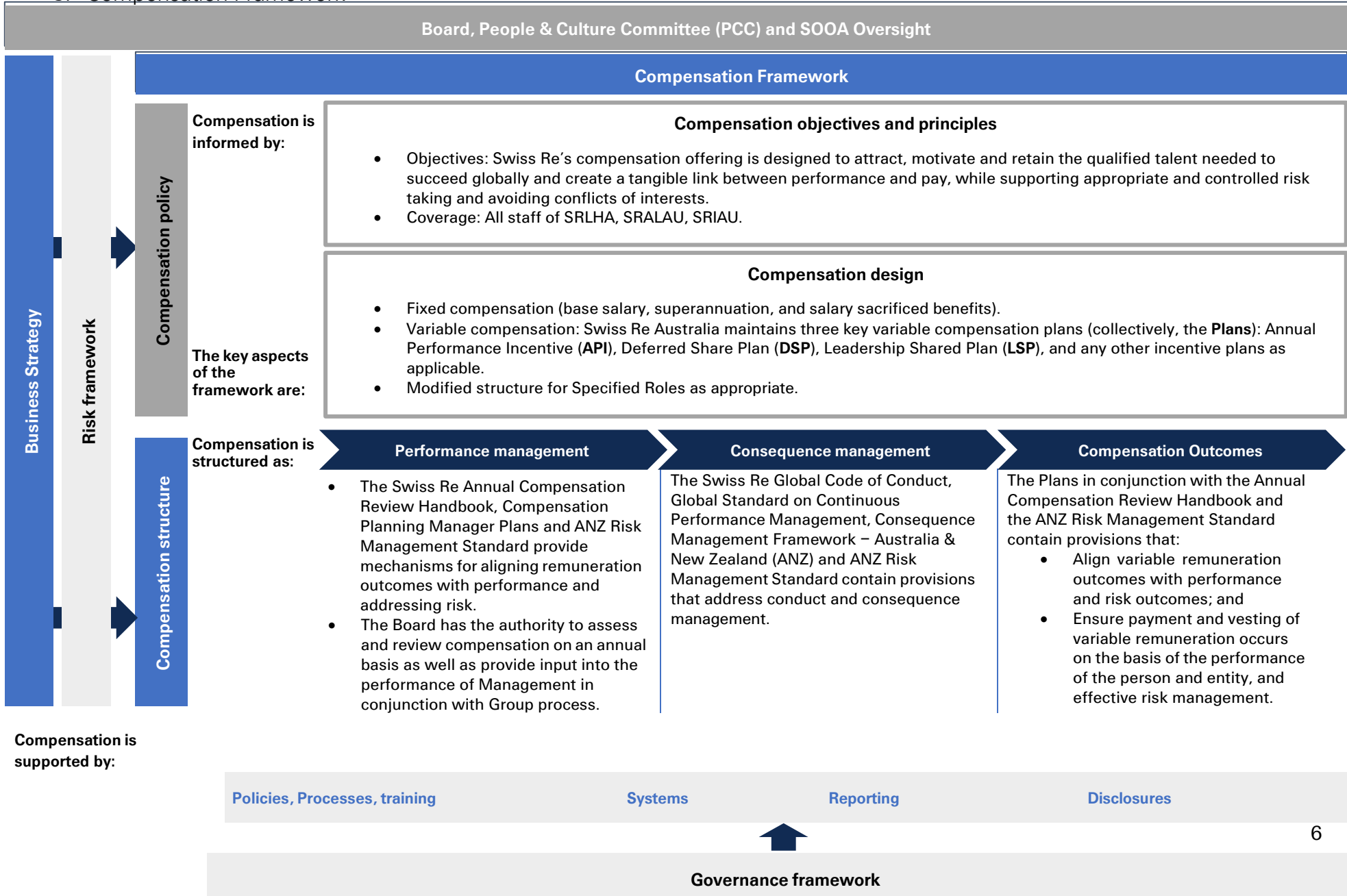
The Specified Roles for Swiss Re Australia include the Board of Directors, SOOAs, Head of ANZ, Chief Financial Officer, Chief Risk Officer, Appointed Actuary, Group Internal Audit ANZ, Head Legal ANZ, Head HR ANZ and the Heads of Business Units in Australia.

2. Compensation Principles

Swiss Re Australia adopts and adheres to Swiss Re's global Compensation Standard, as implemented and amended for Swiss Re Australia. The objectives and processes set out in the Compensation Standard are integrated into Swiss Re Australia's ANZ Remuneration Policy Addendum, risk and performance management processes. Swiss Re Australia's compensation framework is designed to:

- align to Swiss Re Australia's business plan, strategic objectives and risk management framework by creating a tangible link between performance and pay, while supporting appropriate and controlled risk taking and avoiding conflicts of interests;
- support Swiss Re's commitment to attract, motivate and retain the qualified talent needed to succeed globally;
- support Swiss Re's commitment to ensure equal pay for equal work regardless gender, race, ethnicity, sexual orientation or other personal characteristics;
- reinforce a culture of sustainable high performance with a focus on risk-adjusted financial results;
- promote the effective management of both financial and non-financial risks, sustainable performance and long-term soundness by ensuring alignment of compensation to long-term business results and individual contribution, and recognising both what is achieved and how it is achieved;
- align the interests of employees with those of Swiss Re's shareholders and society at large, and identify and mitigate conflicts of interest; and
- foster compliance, support appropriate and controlled risk taking in line with Swiss Re's business and risk strategy and encourage employees to act with client's best interest in mind to support the prevention and mitigation of conduct risk.

3. Compensation Framework



The Remuneration Policy of Swiss Re Australia is formed by the Compensation Standard and the ANZ Remuneration Policy Addendum, as approved by the relevant oversight functions in Swiss Re Australia.

The ANZ Remuneration Policy Addendum:

- documents Swiss Re Australia’s compensation framework;
- includes the structure and terms of compensation arrangements for all persons specified by CPS 511 for Swiss Re Australia; and
- documents the assessment and management of performance, conduct and consequences directly linked to compensation including malus provisions.

3.1 Compensation structures

The key elements of Swiss Re Australia’s compensation structures consist of:

Key element	Description
Fixed compensation	<ul style="list-style-type: none"> • Fixed compensation consists of base salary, superannuation, and salary sacrificed benefits. • Base salary is the fixed compensation paid to employees for carrying out their role and is established based on the following factors: <ul style="list-style-type: none"> ◦ scope and responsibilities of the role; ◦ qualifications required to perform the role; ◦ market value of the role in the location in which the talent is competed for; and ◦ skills and expertise of the individual in the role.
Variable compensation	<ul style="list-style-type: none"> • Variable compensation is designed to reward individuals for their performance and alignment with future performance and shareholders (in the case of LSP). • In the 2024 financial year, Swiss Re Australia maintained three variable compensation plans: <ul style="list-style-type: none"> ◦ <i>API (cash)</i>: a performance-based variable component of compensation, measured over a one-year period. The value of the API pool is based on financial assessment, with individual allocations determined based on financial and non-financial assessments. ◦ <i>DSP</i>: The DSP is a mandatory deferral of a portion of the Annual Performance Incentive (API). The aim of the DSP is to ensure the value of the deferred variable compensation is linked to the sustainable long-term results through performance of the Swiss Re shares over the deferral period. ◦ <i>LSP (shares and cash)</i>: part of discretionary long-term variable compensation for selected employees of Swiss Re. The purpose of the LSP is to grant employees a forward-looking award to selected employees. • Variable compensation is discretionary and rewards participants for achieving both business and individual performance targets and demonstrating desired behaviours. • The rules of API, DSP, LSP together with the ANZ Remuneration Policy Addendum operate clawback and allow for downward adjustment in accordance with the events specified in CPS 511.

4. Compensation and Risk Management

4.1 Global risk management

The Swiss Re Compensation Committee has designed the Compensation Standard to encourage behaviours that foster growth and financial success and align with the risk management framework approved by the SRLHA Board and SOOAs. Swiss Re's Control Functions annually perform an independent assessment of risk and control related behaviours of Swiss Re and each of the business functions, and of Swiss Re's Key Risk Takers individually. The outcome of this assessment is reported to key executives.

The risk and control related behaviour assessment of Swiss Re and business functions provide additional input for determining the API pool and its allocation to each business function. The assessment of each Key Risk Taker serves as an additional factor when determining individual compensation and performance outcomes.

4.2 Swiss Re Australia compensation and risk management

Swiss Re Australia maintains mechanisms to ensure alignment of compensation outcomes with performance and risk outcomes, including risk metrics, malus, and board reporting.

Under the ANZ Risk Management Standard, the Chair of the Risk Committee (with input from the Chief Risk Officer Australia & New Zealand) is required to document and summarise observations relating to risk behaviour. These observations are then shared with the PCC to be considered as part of the review of performance outcomes. Additionally, the Head of Human Resources Australia & New Zealand supports the PCC and the SOOAs in ensuring the Compensation Standard and ANZ Remuneration Policy Addendum are being adhered to.

5. Performance and Reward

5.1 Consequence Management

Swiss Re Australia maintains a consequence management framework whereby employees involved in conduct breaches are subject to disciplinary sanction.

Once an in-scope matter has been identified, it will be assessed and considered as to whether a remuneration adjustment is appropriate, including in accordance with regulatory requirements. Compensation reductions are designed to protect Swiss Re Australia and its stakeholders, support high standards of business conduct and discourage recurrence of misconduct.

In applying the Compensation Adjustment Matrix:

- Consideration will first be given as to where the impact of the conduct falls on the scale in terms of individual accountability (e.g. low, medium or high);
- Next, consideration should be had for the severity of impact of the matter (e.g. low, medium or high); and
- Finally, nominated persons will assess and consider whether there are other material matters that need to be accounted for which are relevant to categorisation and the recommendations to the PCC or SOOA who will approve any appropriate adjustments.

Depending on the matter, an employee's disciplinary sanction can range from a verbal warning to clawback of prior year paid or vested awards and holdback of any unvested award. Where no variable remuneration is offered (excluding one-off payments), the Code of Conduct provides for additional training and warnings up to and including termination of employment to seek to ensure risk management outcomes are assessed and consequence management applied in the event of a material breach or misconduct.

5.2 Downward adjustment - Clawback and Malus

Globally, the Compensation Committee is entitled to seek for a repayment of all or part of awards made under the Plans which have been paid or released to a participant, for a period of five years after the payment/release of the awards, for reasons including but not limited to acts such as malfeasance, fraud or misconduct, or a material error being made by Swiss Re in the calculation or pay out of the award.

At the local level, the rules of the Plan together with the Compensation Standard and ANZ Remuneration Policy Addendum operate malus and clawback and allow for downward adjustment in accordance with the events specified in CPS 511.