

CPS 511 Remuneration Disclosure as at 30 June 2025

This disclosure is pursuant to APRA prudential standard CPS 511 – Remuneration and provides an overview of the KeyInvest Group's remuneration policy, practices and governance.

Overview

APRA Prudential Standard CPS 511 – Remuneration (**CPS 511**) requires life companies, including friendly societies, which are governed under the *Life Insurance Act 1995* (Cth), to undertake annual disclosure regarding their remuneration practices. CPS 511 sets out requirements to ensure entities maintain remuneration arrangements that appropriately incentivise individuals to prudently manage the risks they are responsible for and apply consequences for poor risk outcomes.

The key requirements of CPS 511 are that:

- the Board of an APRA-regulated entity is responsible for the remuneration framework and its effective application, consistent with the size, business mix and complexity of the entity;
- an entity must maintain a remuneration framework that promotes effective management of financial and non-financial risks;
- remuneration outcomes must be commensurate with performance and risk outcomes;
- higher standards must be met for key roles and certain large, complex entities;
- an APRA-regulated entity must make clear, comprehensive, meaningful, consistent and comparable public disclosures on remuneration.

In Financial Year 2025, some Senior Managers received a commensurate short-term incentive payment, however no Senior Managers were considered for, or were awarded, a long-term incentive payment. The provision of long-term incentives was abolished by the Board Remuneration and Nomination Committee and Board of KeyInvest, in the short-term, which is to be reviewed for Financial Year 2028. The current remuneration model is based on the total remuneration concept and on market survey information for Senior Managers (as defined by the *Life Insurance Act 1995* (Cth)).

As a non-significant financial institution (**non-SFI**), KeyInvest is required to make the disclosures as outlined in CPS 511. Annual Disclosures under CPS 511 are required as soon as possible after lodgement of annual financial statements with ASIC and not more than six months after the end of the financial year to which the disclosures relate.

Governance and remuneration

The Board has appointed a Remuneration and Nomination Committee which oversees remuneration practices and performs the functions as required by APRA Prudential Standard CPS 510 – Governance. This includes:

- Conducting reviews of and making recommendations to the KeyInvest Board on the Remuneration Policy as well as the Remuneration Framework (including how KeyInvest aligns remuneration outcomes with performance, how consequence management is applied in the event of a material breach or misconduct and the method used to ensure risk management is addressed and enforced);
- Making annual recommendations to the Board on the remuneration of the MD & CEO, direct reports of the MD & CEO and any other person specified by APRA.

In Financial Year 2025, the Remuneration and Nomination Committee held seven meetings.

The Remuneration and Nomination Committee operates in accordance with its written charter that outlines the Committee's role, responsibilities and terms of operation. In the 2025 Financial Year, the Remuneration and Nomination Committee comprised three (3) independent non-executive Directors and meets at least three (3) times per year.

The Remuneration and Nomination Committee across the Financial Year comprised Non-Executive Directors, Dr Roger Sexton AM, Mr Daryl Stillwell and Ms Donny Walford.

The KeyInvest Group Remuneration Policy applies to all employees, contractors and Board members of the Group and is designed to:

- Attract and retain capable, motivated executives, senior managers and staff with the vision and ability to drive sustainable growth in a manner aligned to KeyInvest's values.
- Align the objectives of staff with the objectives of KeyInvest's business plan, strategy and Risk Management Framework.
- Promote effective management of both financial and non-financial risks, sustainable performance and the Group's long-term soundness.
- Support the prevention and mitigation of conduct risk.

The policy is reviewed annually by the Board, with the last review in February 2025.

The following employees are identified as Senior Managers in accordance with CPS 510 – Governance and the KeyInvest Group's remuneration policy for Financial Year 2025:

- Managing Director and Chief Executive Officer
- Chief Operating and Financial Officer
- Chief Risk Officer.

Other employees that KeyInvest considers as material risk takers or Senior Managers in accordance with CPS 510 – Governance are:

- Chief of Staff
- Company Secretary
- Corporate Transformation Lead
- Chief Sales & Distribution Officer
- Chief Commercial Officer
- Head of Internal Audit.

Remuneration Framework

In February 2025, the Board of KeyInvest adopted a Remuneration Framework that sets out the key policies and processes in place to meet CPS 511 requirements. KeyInvest's Remuneration Framework has been developed to support a remuneration approach that aligns with its values in supporting good outcomes for members, as well as being compliant with regulatory requirements.

The Remuneration Framework aligns with KeyInvest's business plan, strategic objectives and Risk Management Framework. The Remuneration Framework promotes the effective mitigation of operational, financial and non-financial risks.

The principles that underpin KeyInvest's Remuneration Framework are:

- Market competitiveness;
- Alignment to KeyInvest's values;
- Support sound risk management behaviour;

- Performance-focused compensation providing alignment to business objectives; and
- Fair and transparent.

Board oversight and Governance of KeyInvest's Remuneration Framework

The Board of KeyInvest is responsible for the oversight of the sound and prudent management of the KeyInvest Group which includes having a Board Remuneration and Nomination Committee. The Remuneration and Nomination Committee:

- Oversees the design, operation and monitoring of the Group's Remuneration Framework, and
- Exercises competent and independent judgment in the discharge of its obligations regarding the Remuneration Framework.

The KeyInvest Board Remuneration and Nomination Committee is committed to being compliant with the requirement to ensure there is appropriate oversight of the Remuneration Framework and key remuneration decisions. APRA Prudential Standard CPS 511 – Remuneration requires that the Board approves the remuneration policy of the KeyInvest Group.

Performance Management

KeyInvest must be able to discern between whose performance is effectively contributing to the achievement of the KeyInvest Group's sustainable performance and long-term soundness, and those who are not. Performance management involves a comparison of performance against the Performance, Talent and Consequence Management Program for each financial year. Performance evaluation criteria and performance objectives describe what is to be accomplished by the individual and/or the team or department over a defined period of time aligned with the KeyInvest Group's business plan, strategic objectives and risk management framework. The Remuneration Framework incorporates performance evaluation criteria that balance short-term financial targets with long-term strategic goals.

Consequence Management

Consequence Management refers to the expectations of employees as outlined in the Code of Conduct and Performance, Talent and Consequence Management Program and applicable policies.

Consequence Management seeks to ensure that the processes for managing complaints and inappropriate behaviour in the workplace and the consequences applied for the inappropriate behaviour:

- Considers the relevant legislative, policy and regulatory requirements.
- Is fair, appropriate and proportionate to the conduct in question and that all relevant factors are considered.

Reporting and Review

An annual review of the Remuneration Framework is conducted in accordance with the Board Remuneration Policy.

Fixed Remuneration Component

As captured in the KeyInvest Group Board Remuneration Policy, the KeyInvest remuneration model is currently based upon the total remuneration concept (which includes salary, superannuation, allowances and benefits) with employees remunerated with fixed remuneration, as well as short-term incentives, as considered and approved by the Board Remuneration and Nomination Committee.

Remuneration for Senior Managers is reviewed and approved by the Board on an individual basis through a process that considers individuals, business units, overall performance of the KeyInvest Group and the markets in which it operates. Performance assessments of Senior Managers incorporates financial and non-financial KPIs, including the responsibility for risk management and compliance.

Annual Bonus

All employees undergo an annual performance review which considers the performance of the individual measured against key performance indicators that are derived from the organisational goals. Recommendations for performance-based bonuses (if any) for the Managing Director & Chief Executive Officer are made by the Board Remuneration and Nomination Committee, for approval by the Board, as part of the annual remuneration review.

Recommendations for performance-based bonuses (if any) for Executives are made by the Managing Director & Chief Executive Officer to the Board Remuneration and Nomination Committee, for approval by the Board, as part of the annual remuneration review.

For the year end June 2025, some Executives received a commensurate short-term incentive payment. A balanced scorecard approach is taken to the Performance, Talent and Consequence Management Program, equivalent across Senior Managers, that may, or may not, have a short-term incentive program in place.

Risk and Financial control personnel

The performance and remuneration of risk and financial control personnel is assessed according to objectives specific to the roles they undertake, which is independent of the business they oversee. Remuneration must be approved by the Board on a cohort basis.