

**CPS 511**

# **Remuneration Disclosures**

**For the year ended 31 December 2025**



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# 1. Introduction

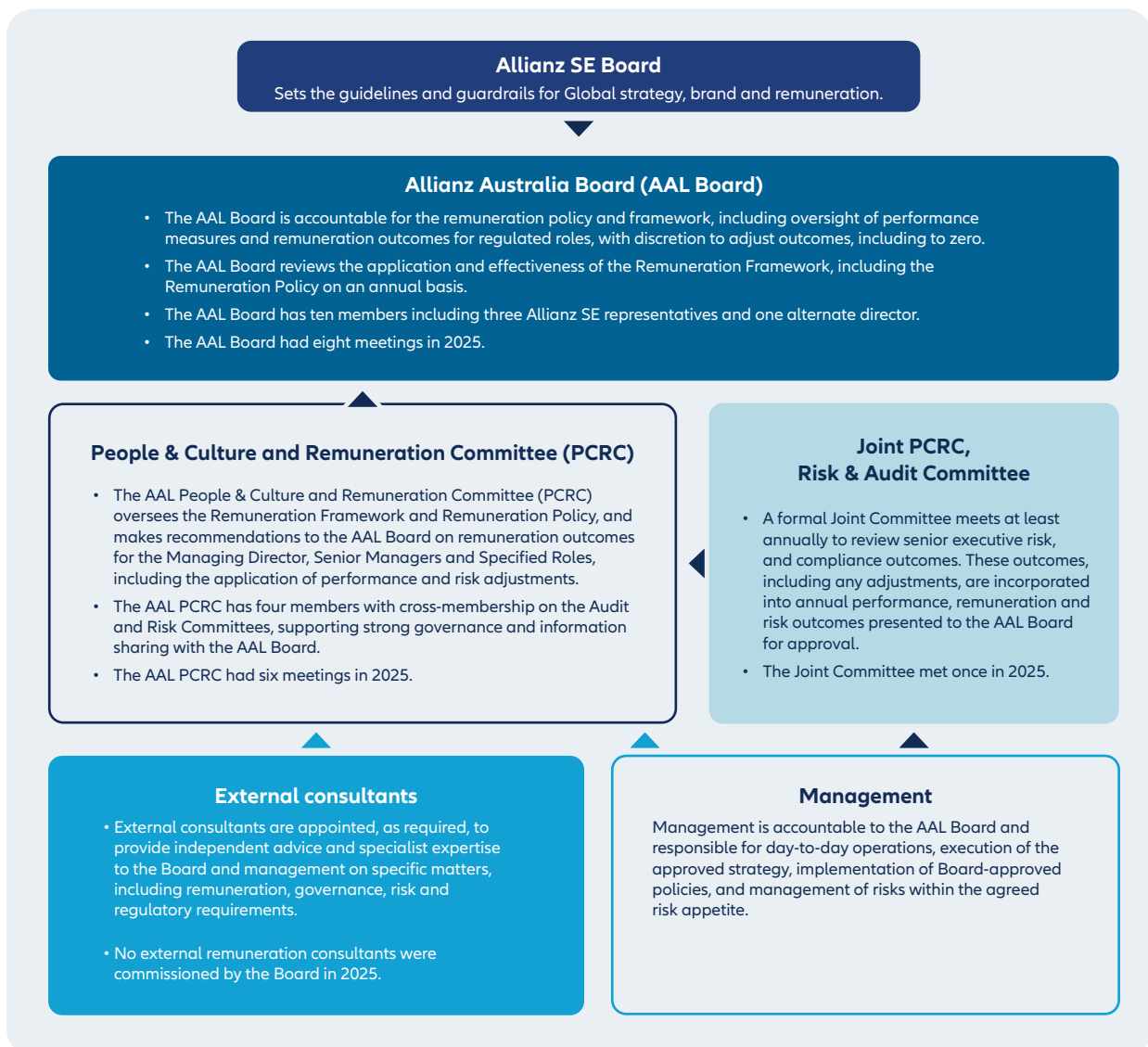
This remuneration disclosure has been prepared in accordance with the requirements of the Australian Prudential Regulation Authority's (APRA) Prudential Standard CPS 511 Remuneration (CPS 511). The objective of CPS 511 is to ensure that APRA regulated entities maintain remuneration arrangements which appropriately incentivise individuals for prudent risk management and that there are appropriate consequences for poor risk outcomes. Under CPS 511, APRA regulated entities are required to make public disclosures on its remuneration framework and practices. Allianz Australia Limited (AAL) is categorised as a Significant Financial Institution under CPS 511.

This disclosure outlines the key elements of AAL's remuneration governance framework, including the roles and responsibilities of the AAL Board and its Committees, and the outcomes of the annual remuneration review. It also sets out the Specified Roles in scope, the design of the remuneration framework (including Short Term Incentive (STI) and Long Term Incentive (LTI) arrangements), deferral and adjustment mechanisms (including in-year adjustments, malus and clawback), and quantitative disclosures reflecting remuneration outcomes and adjustments for the period 1 January 2025 to 31 December 2025.

# 2. Qualitative disclosures

## 2.1 Remuneration governance framework

The remuneration governance framework at AAL is designed to effectively oversee remuneration and associated risks across AAL and its subsidiary entities. The key governing bodies that oversee remuneration are outlined in the following diagram. It demonstrates the end to end accountability, independence and assurance mechanisms that support effective decision making and regulatory compliance.





## 2.2 Remuneration framework

The AAL Board, in collaboration with the Managing Director (MD) and Senior Management Team, sets the strategic direction for AAL. Performance priorities, including risk management are cascaded from the MD to all employees. Remuneration outcomes are determined based on the achievement of performance objectives, ensuring that there is direct alignment between enterprise strategy and individual performance and remuneration outcomes.

The graphic below illustrates the different components of the remuneration framework and the link back to organisational strategy, risk and governance frameworks.



The AAL Remuneration Framework, including all its elements, is reviewed at least annually to ensure it supports the strategic objectives of AAL and remains compliant with external regulation.

The Allianz Australia Remuneration Policy applies to all employees and contractors within the AAL Group including subsidiaries and APRA regulated entities Allianz Australia Limited, Allianz South Australia Insurance Limited, Allianz Australia Insurance Limited and CIC Limited. The Remuneration Policy covers remuneration arrangements with third party service providers (including distribution and non-distribution partners).

During the 2025 financial year, AAL conducted its annual review of the remuneration framework to assess compliance with the requirements of APRA Prudential Standard CPS 511 Remuneration. The review considered the design and operation of the remuneration framework, including the Remuneration Policy, variable remuneration plan rules and governance arrangements. No consequential changes to the remuneration framework were required as a result of this review.



## 2.3 Specified Roles

Specified Roles in scope for this disclosure are defined below:

Role	AAL definition and roles in scope
<b>Senior Managers</b>	<p>Defined as Accountable Persons under the Financial Accountability Regime who form part of the Senior Management Team and accountable for setting and executing the organisational strategy. These include:</p> <ul style="list-style-type: none"> <li>• Divisional Executives: CGM Commercial &amp; Personal Injury and CGM Consumer; and</li> <li>• Central Function Executives: Chief Financial Officer, Chief Customer and Operating Officer, Chief Technical Officer, Chief General Manager Corporate Affairs &amp; Governance, Chief Risk and Compliance Officer, Chief People &amp; Culture Officer, Chief General Manager Transformation, Chief Data Officer and Chief Audit Executive.</li> </ul>
<b>Material Risk Takers (MRT)</b>	<p>Defined as Allianz executives that can individually or collectively impact the risk performance of AAL. Typical roles include:</p> <ul style="list-style-type: none"> <li>• General Manager roles in each Insurance division accountable for Underwriting, Distribution, Direct and Product and Portfolios;</li> <li>• Chief Investment Officer, Chief Actuary, Chief Information Officer, Head of Reinsurance; and</li> <li>• CEOs of Underwriting Agencies.</li> </ul>
<b>Highly Paid MRT (HPMRT)</b>	<p>Defined as MRT roles who are paid more than \$1m in fixed remuneration plus actual variable remuneration.*</p> <p>*There were no HPMRT roles for the 2025 performance year based on actual remuneration earned for this period.</p>
<b>Risk and Financial Control Personnel (R&amp;FCP)</b>	<p>Defined as Line 2 Risk and Compliance, Internal Audit, Financial Control and Actuarial Control roles with accountability for setting, reviewing policy and frameworks.</p>

## 2.4 Variable remuneration plans

There are three variable remuneration plans at AAL:

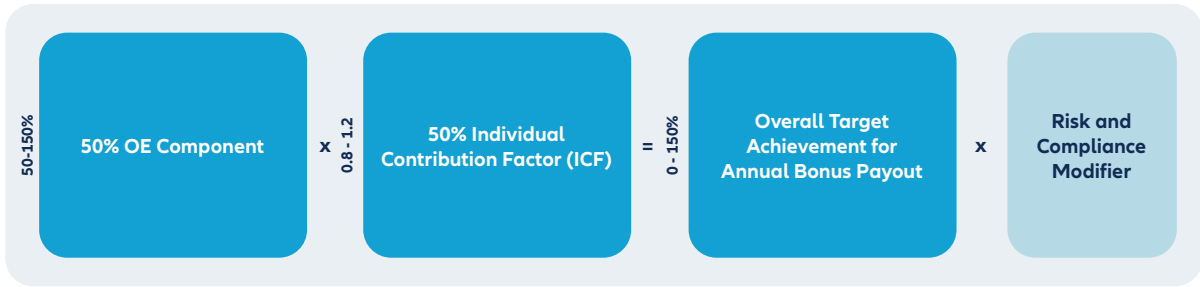
Variable Remuneration Plans	Eligible Roles	Annual Cash payment	Deferred Equity (AEI)*	Risk and Compliance Modifier
<b>AZpire X</b>	MD/ Senior Managers	✓	✓	✓ Downward adjustments only
<b>AZpire + (with AEI)</b>	MRT/Chief Audit Executive	✓	✓	✓ Up & downward adjustments
<b>AZpire +</b>	R&FCP/ MRT	✓	✗	✓ Up & downward adjustments

\*The deferral schedule is outlined in the visual in the following section. AEI is granted as shadow equity and settled in cash once all restrictions are lifted, and the sustainability and Solvency II assessment has been met.

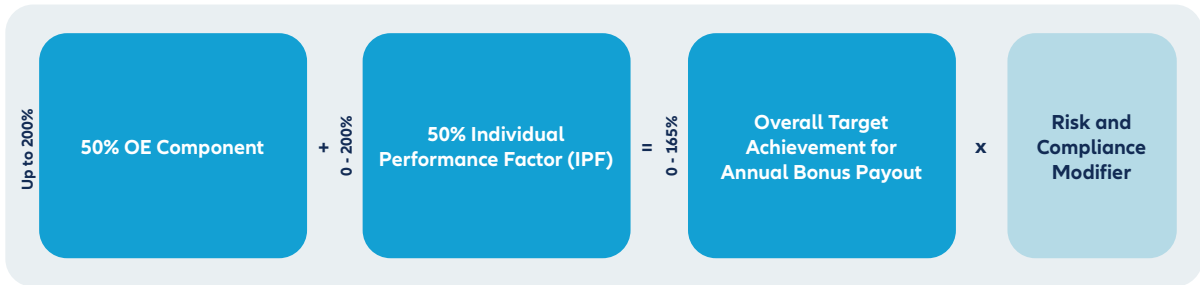
The Allianz Equity Incentive (AEI) is a global long-term incentive plan for selected executives that rewards performance through Restricted Stock Units (RSUs), aligning remuneration with sustained business performance and continued employment over a five-year deferral period (additional year deferral added for the MD to meet requirements for the Standard).

Eligibility for participation in a particular variable remuneration plan is determined by nature of the role, role seniority, and membership on various management committees.

**AZpire X** outcomes are calculated by multiplying the Allianz Australia Operating Entity (OE) performance result by the individual's Individual Contribution Factor (ICF). The OE Component is based on financial performance, while the ICF reflects a balanced scorecard of financial and non financial measures. All **AZpire +** outcomes are also subject to a Risk and Compliance modifier.

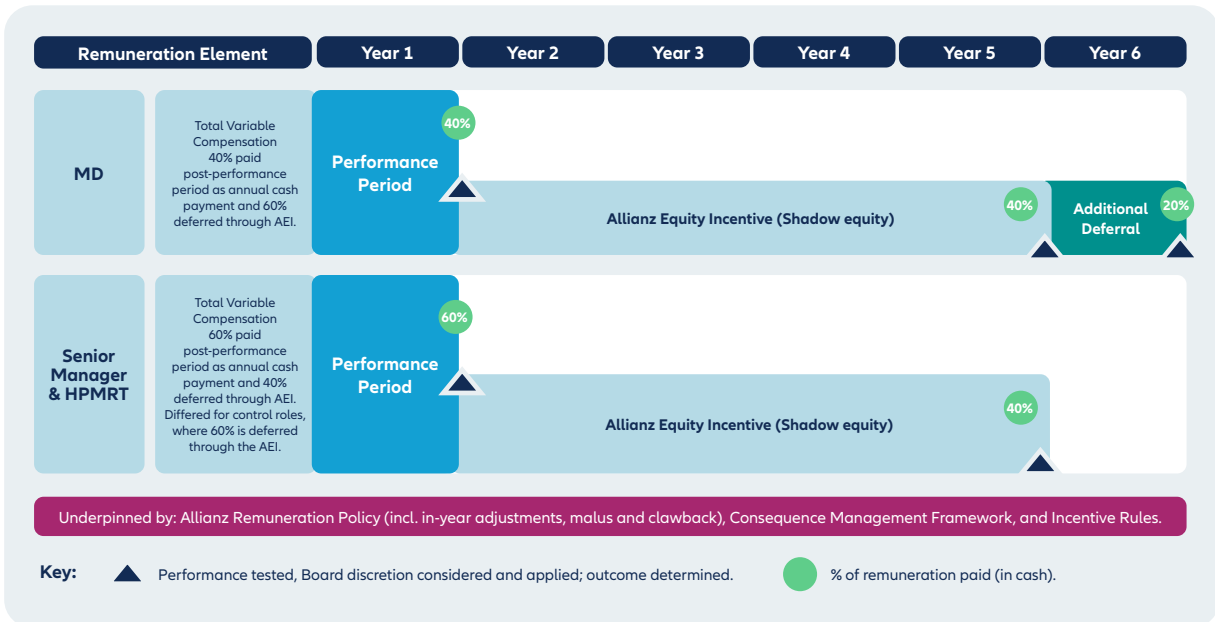


**AZpire + (with & without AEI)** outcomes are calculated by adding the OE Component result to the individual's Individual Performance Factor (IPF). As with AZpire X, the OE Component is 100% based on financial performance, while the IPF is assessed using a balanced scorecard of financial and non financial measures. All AZpire + outcomes are also subject to a Risk and Compliance modifier.



### Deferral and vesting of variable remuneration

The deferral and vesting schedule of the AEI is detailed below:





### **Treatment for Good Leavers**

In cases of retirement or termination because of a genuine redundancy, a pro-rated incentive may be payable to a terminated employee in line with the AEI plan rules. The timing, calculation of the value and conditions of the payment (subject to the clawback and malus) are the same as for active employees.

### **Variable remuneration pool**

The variable remuneration pool is set and assessed at a global level based on the overall achievement of strategic objectives across the Allianz Group. The local allocation of the pool to individuals is approved by AAL Board based on performance against agreed financial and non-financial objectives. The variable remuneration awarded to individuals is based on agreed financial and non-financial measures including a mandatory risk priority.

### **Adjustments to variable remuneration**

Adjustments to variable remuneration include in year adjustments applied through the Individual Performance component and malus and clawback.

The AAL Board with input from PCRC, Risk Committee and Audit Committee will determine if any downward adjustments, be it through adjustment of in-year incentives, malus of unvested AEI or clawback of prior year awards, are required to:

- a. Protect the financial soundness of Allianz,
- b. Certify prudent risk-taking and adherence to the risk management framework by employees,
- c. Respond to significant unexpected or unintended consequences that were not foreseen by the AAL Board including but not limited to significant unexpected financial losses, reputational damage or regulatory
- d. Respond to material examples of poor conduct, culture and/or failure to meet local or Group Executive Accountability Regime accountability obligations, and
- e. Protect the reputation of Allianz.

Clawback and malus provisions apply to all AEI participants which includes the MD, all Senior Managers and 57% of MRTs. The remaining MRTs do not participate in the AEI plan and there were no HPMRTs in 2025. AAL's AEI plan is CPS 511 compliant in design and application of vesting practices.

## **2.5 Alignment between remuneration outcomes and performance**

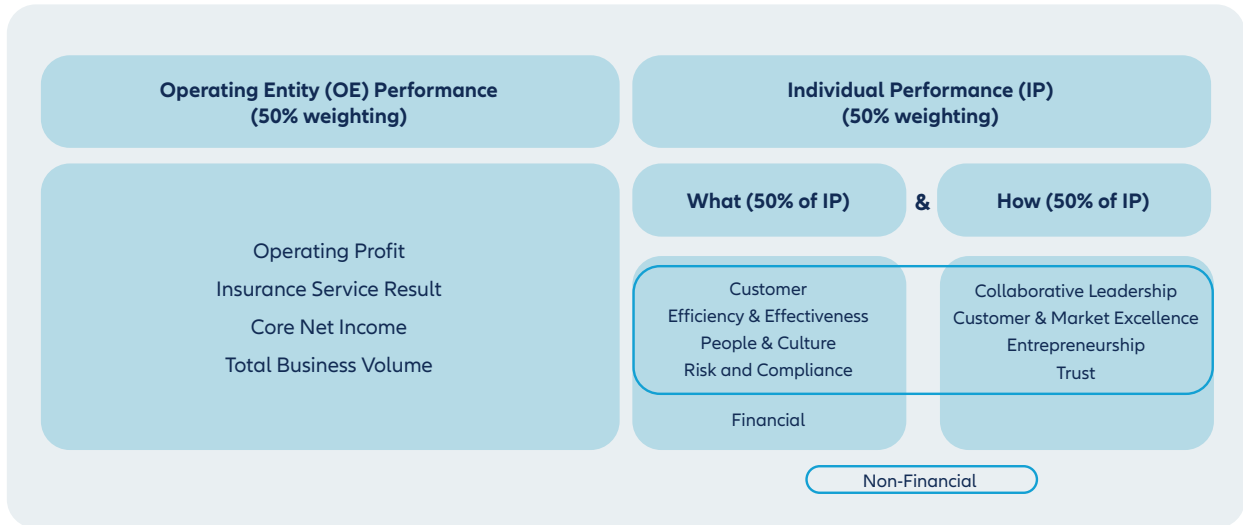
Measurement of performance is completed equitably and consistently across AAL. Performance outcomes are determined by a combination of enterprise (the OE) and an individual component. The financial performance of Allianz Australia (OE Component) is determined by the Allianz SE Board.

For the MD, Senior Managers and MRTs, the individual component is broken down into five equally weighted "What" measures and four "How" measures resulting in approximately 90% of the individual component being based on non-financial measures.

Individual outcomes are determined by the employee's leader, with endorsement from the employee's 2 up leader.

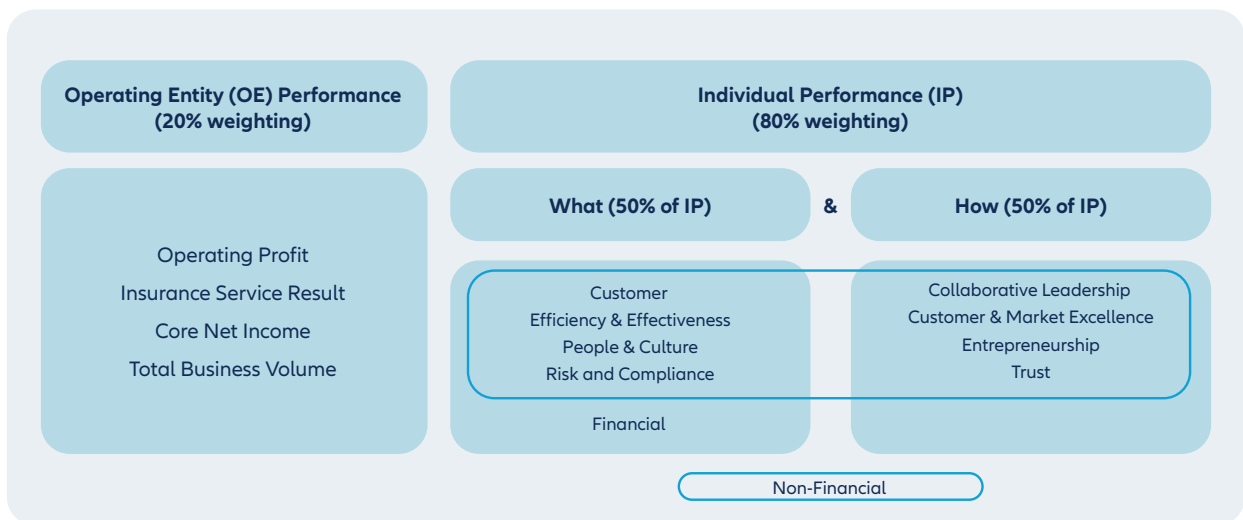


For divisional executives, the Financial measure within the individual component is assessed against divisional financial outcomes in addition to the entity-level OE Component. Similarly for all other measures under the balanced scorecard divisional/individual metrics are allocated to the executives.



Employees in R&FCP roles have a lower weighting on financial metrics. R&FCP variable reward outcomes are based on 20% weighting of Allianz Australia's OE Component (compared to 50% for all other incentivised employees), and 80% Individual Performance. Individual performance is assessment across both What and How criteria.

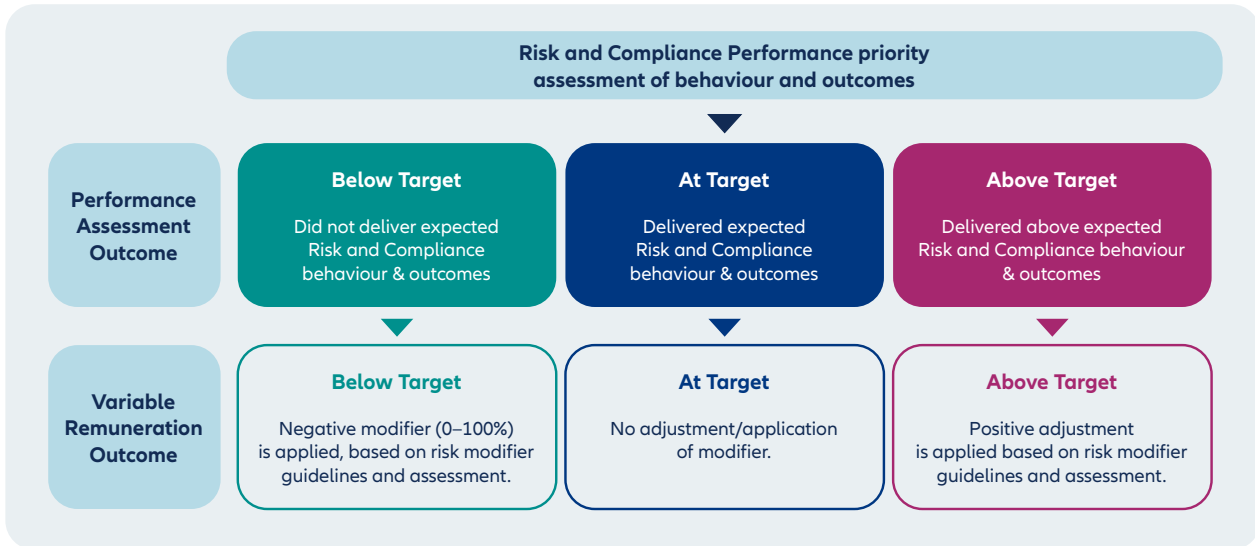
**Performance conditions applicable for R&FCP:**





## 2.6 Adjustments for Risk and Compliance and Sustainability

The remuneration framework supports the prevention and mitigation of conduct risk through mandatory risk and compliance priority for all employees and the Risk and Compliance modifier for all incentivised employees. The Modifier allows managers to positively reward risk role modelling as well as apply downward adjustments proportionate to the risk event.



The Risk and Compliance Modifier is determined based on an employee's rating on their Risk and Compliance performance priority. Employees with 'Above Target' and 'Below Target' performance rating on the Risk and Compliance performance priority will have a positive or negative modifier applied to their variable pay outcomes.

The Chief Risk and Compliance Officer, Chief General Manager Corporate Affairs & Governance and Chief People and Culture Officer review all 'Above Target' and 'Below Target' rated recommendations for the Risk and Compliance priority and remuneration outcomes to ensure the application of the rating and the quantum of adjustment (up or down) is commensurate with Risk and Compliance performance.

In the case of a Below Target rating, a modifier of 0-100% is applied, that will result in a reduction of participant's overall incentive outcome. In the case of an Above Target result, a positive modifier of 101-115% is applied, resulting in a higher overall incentive outcome. Senior Managers are not eligible for a positive modifier, as effective risk management is a core expectation of their role.

Separately, prior to any payment made under the AEI the Allianz SE Board will undertake a sustainability assessment for AZpire X participants. With input from the AAL Board, the Allianz SE Board will consider any events that have reduced or negatively impacted overall sustainability in a significant way, and to what degree the behaviour of the AZpire X participant contributed.

## 2.7 Alignment to strategic objectives and risk management frameworks

The AAL Board sets the strategic direction for the organisation, considering the global agenda. Performance priorities, including risk management are cascaded from the country MD to all employees. Remuneration outcomes are determined based on the achievement of performance objectives, ensuring that there is direct alignment between enterprise strategy, individual performance and remuneration outcomes. Mandatory risk performance priorities and Risk and Compliance modifier are key pillars of the performance framework. This design promotes sound and effective risk management, accountability, and encourages risk-taking within Allianz' Risk Appetite Statement.



## 2.8 Remuneration outcomes

The rules of the variable remuneration plans described in this document are applied to all roles including Specified Roles without exception to ensure that there is clear linkage between risk, performance and remuneration outcomes.

The Individual components of performance (IPF and ICF) which influences final variable remuneration outcomes (as highlighted in Section 2.4) is determined based on individual performance ratings. Calibration sessions are run at both Business Unit and Enterprise levels to ensure consistent and equitable application of these guidelines for all eligible employees.

Additionally, the application of the Risk and Compliance modifier as outlined within section 2.6 also ensures that risk performance is adequately factored into overall variable remuneration outcomes. All final variable remuneration outcomes are approved by the AAL PCRC and AAL Board as per the requirements of the Standard.



### 3. Quantitative disclosures

This section provides quantitative information on fixed and variable remuneration outcomes for the performance year (1 January 2025 – 31 December 2025) on an individual basis for the MD and on a cohort basis for Other Senior Managers, HPMRTs and other MRTs. This includes information on deferred and adjusted variable remuneration and details of any special payments provided. The tables outlined in this section have been prepared in accordance with the quantitative requirements (tables 1-3) outlined in CPS 511.

#### 3.1 Remuneration outcomes for the 2025 financial year

	\$Am	CEO	Other senior managers	Highly paid material risk-takers	Other material risk-takers
<b>Fixed remuneration</b>					
1	Number of employees paid fixed remuneration	1	11	0	23
2	<b>Total fixed remuneration</b>	<b>1.450</b>	<b>7.606</b>	<b>N/A</b>	<b>8.302</b>
3	of which: cash based	1.450	7.606	N/A	8.302
4	of which: share-based awards	0.000	0.000	N/A	0.000
5	of which: other	0.000	0.000	N/A	0.000
6	Average percentage increase in total fixed remuneration on previous financial year	0%	7%	N/A	6%
<b>Variable remuneration</b>					
7	Number of employees eligible for variable remuneration	1	11	0	23
8	Number of employees that received variable remuneration	1	11	0	23
9	<b>Total variable remuneration</b>	<b>1.950</b>	<b>3.738</b>	<b>N/A</b>	<b>3.350</b>
10	of which: cash-based	0.540	1.817	N/A	3.179
11	of which: share-based awards	1.410	1.922	N/A	0.171
12	of which: other	0.000	0.000	N/A	0.000
13	<b>Total variable remuneration that has been deferred</b>	<b>1.410</b>	<b>1.922</b>	<b>N/A</b>	<b>0.171</b>
14	of which: cash-based	0.000	0.000	N/A	0.000
15	of which: share-based awards	1.410	1.922	N/A	0.171
16	of which: other	0.000	0.000	N/A	0.000
17	Average percentage increase in total variable remuneration on previous financial year	-11%	-22%	N/A	-16%
18	<b>Total remuneration</b>	<b>3.400</b>	<b>11.344</b>	<b>N/A</b>	<b>11.652</b>

For R&FCP, the average variable remuneration outcome as a proportion of fixed remuneration was 23% in FY25 (ranging from 13% to 40%).



### 3.2 Special payments

	\$Am	CEO	Other senior managers	Highly paid material risk-takers	Other material risk-takers
1	Number of employees paid a guaranteed bonus	0	0	N/A	0
2	<b>Total guaranteed bonuses</b>	<b>0.000</b>	<b>0.000</b>	<b>N/A</b>	<b>0.000</b>
3	Number of employees paid a sign-on award	0	0	N/A	2
4	<b>Total sign-on awards</b>	<b>0.000</b>	<b>0.000</b>	<b>N/A</b>	<b>0.417</b>
5	Number of employees paid a severance payment	0	0	N/A	0
6	<b>Total severance payments</b>	<b>0.000</b>	<b>0.000</b>	<b>N/A</b>	<b>0.000</b>

One R&FCP received a sign-on award in 2025.

### 3.3 Deferred and adjusted variable remuneration

	\$Am	A Total amount of outstanding deferred variable remuneration post adjustments	B Total amount of variable remuneration not deferred post adjustments	C Total amount of downward adjustments to variable remuneration reported in columns A and B
<b>CEO</b>				
1	<b>Total CEO</b>	<b>10.755</b>	<b>1.950</b>	<b>0.000</b>
2	of which: cash	0.000	1.950	0.000
3	of which: share-based awards	10.755	0.000	0.000
4	of which: other	0.000	0.000	0.000
<b>Other senior managers</b>				
5	<b>Total other senior managers</b>	<b>12.332</b>	<b>3.738</b>	<b>0.000</b>
6	of which: cash	0.000	3.738	0.000
7	of which: share-based awards	12.332	0.000	0.000
8	of which: other	0.000	0.000	0.000
<b>Highly paid material risk-takers</b>				
9	<b>Total Highly paid material risk-takers</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
10	of which: cash	N/A	N/A	N/A
11	of which: share-based awards	N/A	N/A	N/A
12	of which: other	N/A	N/A	N/A

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#### Other material risk-takers

<b>13</b>	<b>Total Other material risk-takers</b>	<b>4.696</b>	<b>2.933</b>	<b>0.000</b>
<b>14</b>	of which: cash	0.000	2.933	0.000
<b>15</b>	of which: share-based awards	4.696	0.000	0.000
<b>16</b>	of which: other	0.000	0.000	0.000
<b>17</b>	<b>Total (sum of rows 1 + 5 + 9+ 13)</b>	<b>27.783</b>	<b>8.622</b>	<b>0.000</b>



Allianz Australia Insurance Limited