Southern Cross Travel Insurance

Introduction

This is the CPS 511 Remuneration (CPS 511) disclosure for Southern Cross Benefits Limited, Australian Branch trading as Southern Cross Travel Insurance ("SCTI") for the year ended 30 June 2025. The Branch does not have any employees in Australia and is managed by employees of Southern Cross Benefits Limited.

Oversight and Governance of the Remuneration Framework

Remuneration is overseen by the SCTI Board, which has discussed remuneration 5 times since FY25 Q2, and the People and Culture Committee (PCC) which has met 4 times during the year.

The Board of SCTI has ultimate responsibility for remuneration policy, arrangements, and practices, and exercises its discretion through scenario analysis, external benchmarking and risk-adjusted performance metrics. The Board delegates that responsibility in consultation with the PCC which is governed by a written charter.

The Audit and Risk Committee, a committee of the Board, provides input on remuneration policies by reviewing risk-adjusted performance metrics and ensuring alignment with the Risk Management Framework. The Chief Risk Officer contributes independent risk assessments to inform remuneration decisions.

Design and Structure of the Remuneration Framework

The purpose of the SCTI Pay & Rewards policy is to clearly define parameters for making fair and equitable, market-based decisions about pay. The policy is reviewed annually and aligned to external market data for benchmarking and relativity. Any remuneration decisions are made in alignment with SCTI's business plan, strategic objectives and the Risk Management Framework ensuring remuneration outcomes are contingent on adherence to SCTI's Code of Conduct and are subject to review in cases of behavioural or ethical concerns.

In all instances, remuneration is designed and monitored to ensure that:

- Remuneration, particularly of risk and control personnel, does not compromise the independence of these personnel in carrying out their functions,
- Remuneration encourages behaviour that supports SCTI's long term financial soundness and the Risk Management Framework, and
- Remuneration is aligned with prudent risk-taking.

Remuneration Policy

Variable remuneration is conditional on the achievement of objectives, which include performance criteria, service requirements or the passage of time.

Performance-based pay objectives and KPIs are established after the business planning process has been completed and submitted for approval to the PCC (for ELT) and Board (for the CEO). Individuals are assessed on consistent demonstration of effective risk practices as assessed by internal audit, key stakeholders and Directors.

In the event of any misconduct, the PCC may recommend a reduction, forfeiture or clawback of variable remuneration, subject to Board approval.

All executive level roles (C-suite) have a short-term incentive plan (STIP) as part of their total remuneration. The CEO has a 25% STIP component on base salary, whereas all other ELT roles have 20%. For roles without variable remuneration, performance reviews and behavioural assessments are used to evaluate risk outcomes and apply consequence management where necessary. Individuals are assessed for consistent demonstration of effective risk practices as assessed by internal audit, key stakeholders and Directors.

In the event of any misconduct, an individual's overall annual performance rating will be impacted, limiting their capacity for an increase in remuneration.

This STIP is structured:

- To facilitate the acknowledgment and reward of accomplishments, encompassing both financial and non-financial aspects,
- Defer, reduce or prevent reward in circumstances where certain obligations, values or expectations are not met, and
- In a way that ensures SCTI meets its CPS 511 and Financial Accountability Regime (FAR) remuneration compliance obligations.