

# CPS 511 – Remuneration Disclosures

For the year ended 31 December 2025

Allianz Australia Life Insurance Limited



## Table of Contents

<b>1. Introduction</b> .....	2
<b>2. Qualitative disclosures</b> .....	2
2.1. Remuneration governance framework .....	2
2.2. Specified Roles .....	3
2.3. Remuneration Framework .....	4
2.4. Variable Remuneration Plans .....	5
2.5. Alignment between remuneration outcomes and performance.....	7
2.6. Adjustments for Risk and Compliance .....	7

# 1. Introduction

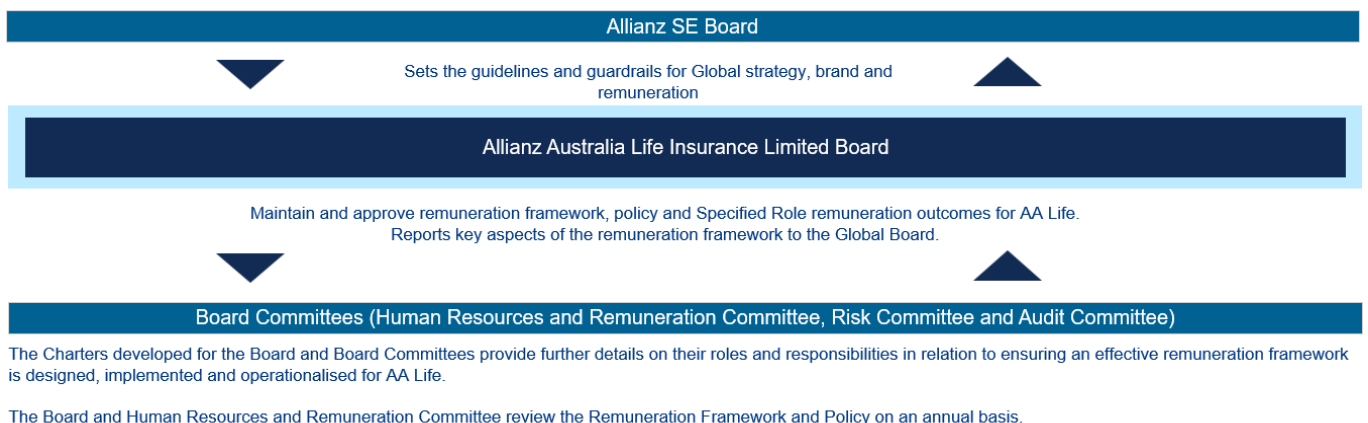
This remuneration disclosure has been prepared in accordance with the requirements of the Australian Prudential Regulation Authority's (APRA) Prudential Standard CPS 511 – Remuneration (CPS511). The objective of CPS511 is to ensure that APRA regulated entities maintain remuneration arrangements which appropriately incentivise individuals for prudent risk management and that there are appropriate consequences for poor risk outcomes. Under CPS511, APRA regulated entities are required to make public disclosures on its remuneration framework and practices. Allianz Australia Life Insurance Limited (AA Life) is categorised as a Non-Significant Financial Institution under CPS 511.

This disclosure outlines the key elements of AA Life's remuneration governance framework, including the roles and responsibilities of the AA Life Board and its Committees. It also sets out the design of the remuneration framework, deferral and adjustment mechanisms (including malus and clawback) for the period 1 January 2025 to 31 December 2025.

## 2. Qualitative disclosures

### 2.1. Remuneration governance framework

The remuneration governance framework at AA Life is designed to effectively oversee remuneration and associated risks across AA Life. The key governing bodies that oversee remuneration at AA Life 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.



#### Allianz SE Board

The Allianz SE Board sets the Group Remuneration Policy and frameworks within which all Allianz entities are required to operate, with deviations only allowed to meet local regulatory requirements.

#### Allianz Australia Life Insurance Limited Board ('AA Life Board')

The AA Life Board is accountable for the remuneration policy and framework, including oversight of performance measures and remuneration outcomes for regulated roles, with discretion to adjust outcomes, including to zero.

The AA Life Board reviews the application and effectiveness of the Remuneration Framework, including the Remuneration Policy on an annual basis.

The AA Life Board comprises of three Independent Non-Executive Directors, two other Non-Executive Directors (including one Allianz SE representative and the CEO and MD of Allianz Life USA) and one Executive Director being the CEO of AA Life.

The AA Life Board had fourteen meetings in 2025.

## Allianz Australia Life Insurance Limited Human Resources & Remuneration Committee ('AA Life HRRC')

The AA Life HRRC oversees the Remuneration Framework and Remuneration Policy and makes recommendations to the AA Life Board on remuneration outcomes for the CEO, Senior Managers and other Specified Roles under CPS 511, including the application of performance and risk adjustments.

The AA Life HRRC has four members including one Allianz SE representative. The AA Life HRRC had five meetings in 2025.

Three of the four members of the AA Life HRRC are also members of the Audit and of the Risk Committees. This cross-membership creates a strong governance net and enables information sharing across the three Committees and the Board.

In addition, on a quarterly basis at AA Life Board meetings, generally each Committee Chair presents key items it has discussed in its meetings. This enables all Board members to be made aware of key matters that arise in each Committee.

Management is accountable to the AA Life Board and responsible for day-to-day operations, execution of the approved strategy, implementation of Board-approved policies, and management of risks within the agreed risk appetite

The Chief Risk Officer attends the AA Life Risk Committee meetings and is invited to attend AA Life HRRC meetings to talk to items relating to Talent Management, operational risk and any consequence management items.

The CEO of AA Life does not attend items relating to the CEO's performance or remuneration.

In determining remuneration outcomes, the AA Life Board has ultimate discretion on amounts to be paid, within the guidelines of the remuneration framework. In doing so, the AA Life Board considers financial and non-financial performance holistically, including ensuring compliance with AA Life's Risk Appetite Statement and any impacts on the organisation's soundness including reputational standing. All fixed and variable remuneration outcomes can be adjusted down (including to zero) and all deferred payments can be subject to downwards adjustments to protect the interests of AA Life.

No external remuneration consultants were commissioned by the Board in 2025. Management use independent, externally sourced remuneration data to support the Board in determining appropriate pay levels for key roles.

## 2.2. Specified Roles

Specified Roles in scope for this disclosure are described below:

**Senior Managers** have a material impact on the achievement of organisational objectives through oversight of their respective functional areas and include roles such as the Chief Executive Officer, Chief Risk Officer, General Counsel, Chief Distribution & Marketing Officer, and Chief Financial Officer.

**Risk and Financial Control Personnel (R&FCP)** are roles that are critical in ensure the effective management of financial and non-financial risk within AA Life and include the Chief Audit Executive, Risk Manager, Head of Finance, Senior Manager Actuarial, Senior Compliance Manager and, and Head of Compliance and Data Privacy Officer.

## 2.3. Remuneration Framework

The AA Life Board, in collaboration with the CEO and Senior Management Team, sets the strategic direction for AA Life. Performance priorities, including risk management are cascaded from the CEO 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 framework.



The AA Life Remuneration Framework, including all its elements, is reviewed at least annually to ensure it supports the strategic objectives of AA Life and remains compliant with external regulation. No consequential changes to the remuneration framework were required as a result of the substantive review in 2025. The latest version of the Remuneration Policy was approved in May 2026.

The AA Life Remuneration Policy applies to all employees and contractors of AA Life. The Remuneration Policy covers remuneration arrangements with third party service providers (including distribution and non-distribution partners).

All variable remuneration payments including sign-on bonuses are subject to clawback, cancellation and malus.

The mix of remuneration is dependent on the purpose of the role and aligned to market practice. For example, revenue generating roles are more leveraged towards variable reward.

R&FCP have a higher weighting to fixed pay and a higher weighting in their incentive metrics based on non-financial measures.

## 2.4. Variable Remuneration Plans

There are two variable remuneration plans at AA Life:

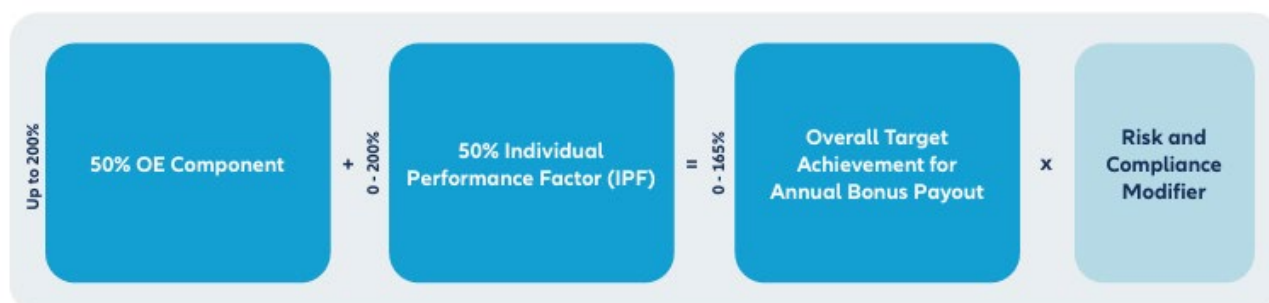
Variable Remuneration Plans	Eligible Roles	Annual Cash payment	Deferred Equity (AEI)*	Risk & Compliance Modifier
AZpire + (with AEI)	CEO/Senior Managers	✓	✓	Up & downward adjustments ✓
AZpire +	Senior Managers/R&FCP	✓	✗	Up & downward adjustments ✓

\* 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.

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.

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 + (with & without an AEI)** outcomes are calculated by adding the Operating Entity (OE Component) result to the individual's Individual Performance Factor (IPF). The performance conditions under the OE Component in 2025 were both growth related (80%) and financial relating to key business priorities (20%) as linked to the AA Life business plan. The performance conditions under the IPF comprises of a balanced scorecard of financial and non-financial measures. All AZpire + outcomes are subject to a Risk and Compliance modifier.

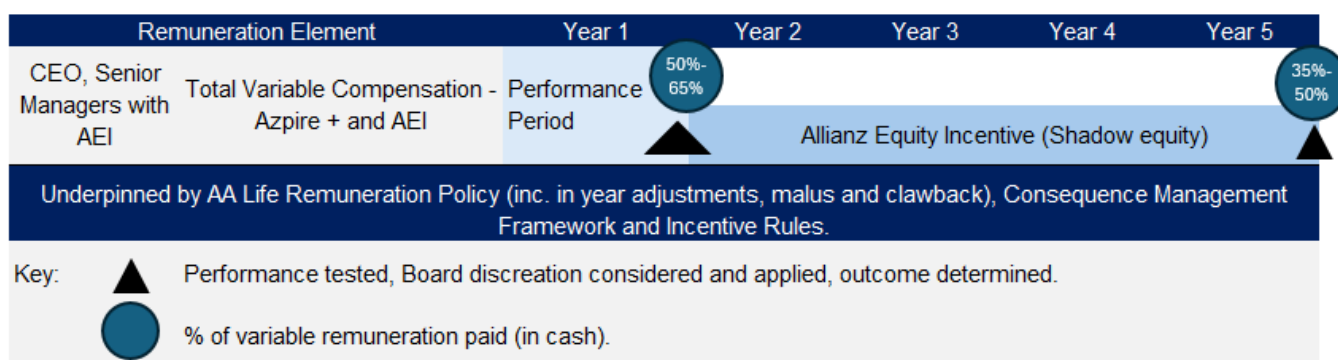


The AZpire+ outcomes are determined in accordance with the methodology outlined above and the AZpire Plan rules, which prescribe maximum and minimum thresholds, in over and underachievement scenarios<sup>1</sup>.

<sup>1</sup> The range for the OE Component and the Individual Performance Factor lies between 0% and 200%. The maximum Overall Target Achievement is currently capped at 165%. By way of exception, the Overall Target Achievement may be increased to a maximum of 200%, subject to the consent of the company's relevant body (being the AA Life Board) and the relevant Compensation Committee (being the AA Life HRRC). If the Individual Performance Factor is below or at 50% (0-50%), the Overall Target Achievement shall not exceed 25%.

## Deferral and vesting of variable remuneration

The deferral and vesting schedule of the AEI is detailed in the following graphic.



### 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 AEI plan rules and AA Life Board approval. 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 and AA Life. The local allocation of the pool to individuals is approved by the AA Life 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 AA Life Board has the discretion to reduce variable remuneration outcomes (including to zero where applicable).

The AA Life Board with input from HRRC, 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:

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

Clawback and malus provisions apply to all AEI participants which includes the CEO and those key Senior Managers on the AZpire + (with AEI) variable remuneration plan.

AA Life'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 AA Life.

Performance outcomes are determined by a combination of enterprise (the OE) and an individual component.

The OE Component for AA Life is determined by the Allianz SE Board. It includes both financial and non-financial measures related to key business priorities.

For the CEO and Senior Managers, the Individual Component is determined by the AA Life Board, on recommendation from the AA Life HRRC. In making its recommendations to the Board, the HRRC considers (for Senior Managers) the recommendations of the CEO.

In determining the Individual Components for the CEO and Senior Managers, performance is assessed against agreed "What" objectives (both financial and non-financial) and "How" objectives (all non-financial).

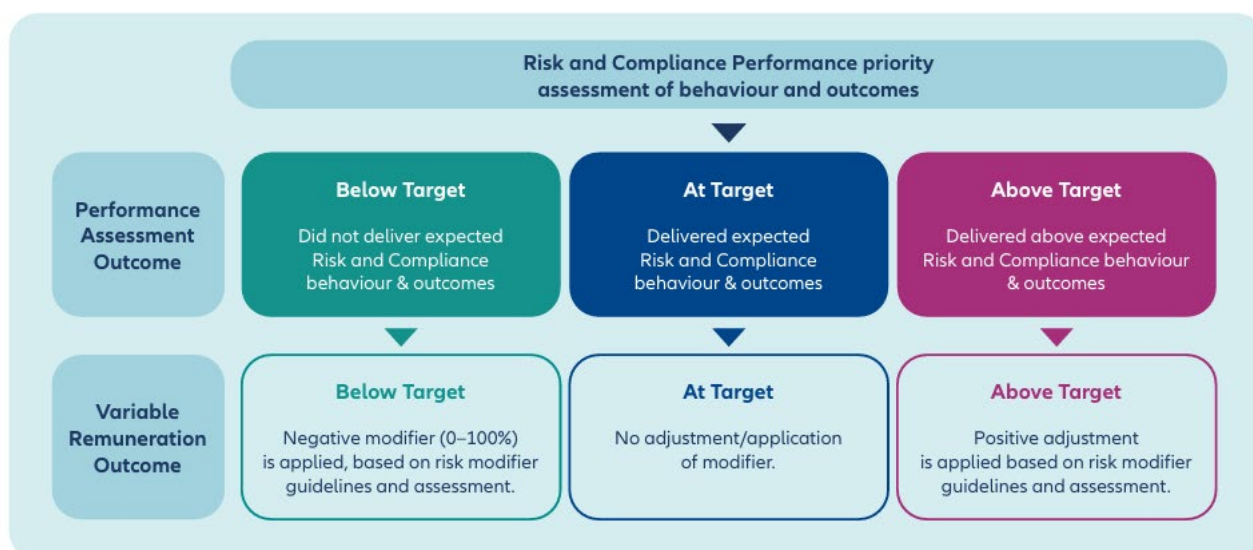
Employees in R&FCP roles have a lower weighting on financial metrics. R&FCP variable reward outcomes are based on 20% weighting of AA Life's OE Component (compared to 50% for all other incentivised employees), and 80% Individual Performance.

Individual performance is assessed across both "What" and "How" criteria.

This results in material weighting of non-financial measures, supporting a high level of independence between the organisation's financial performance and the employee's variable pay outcome.

## 2.6. Adjustments for Risk and Compliance

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

In the case of a Below Target rating, a modifier of 0-100% is applied, that may result in a reduction of participant's overall incentive outcome. In the case of an Above Target result, a positive modifier of 101-115% may be applied, which may result in a positive adjustment being made to the participant's overall incentive outcome.

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