

Remuneration Governance Disclosure for the Financial Year Ended 30 June 2025

Foresters Financial Limited is regulated by the Australian Prudential Regulation Authority (APRA) and classified as a non Significant Financial Institution (non SFI) under APRA Prudential Standard CPS 511 Remuneration.

Foresters maintains a Board approved Remuneration Framework designed to promote effective management of financial and non financial risks, support sustainable performance outcomes and maintain the long term soundness of the organisation. Remuneration arrangements are structured to discourage excessive risk taking and incorporate both financial and non financial risk considerations.

Governance and Oversight

The Board retains ultimate accountability for the adequacy, effectiveness and compliance of the Remuneration Framework.

The Board is supported by the People & Culture Committee (PCC), which assists the Board in overseeing the design, operation and monitoring of remuneration arrangements. The PCC reviews remuneration governance settings and provides recommendations to the Board.

The Board approves the following:

- CEO's fixed remuneration;
- Variable remuneration outcomes for specified roles, where applicable; and
- Any deferred remuneration arrangements applied to the CEO.

Risk and Compliance functions provide oversight and input into remuneration governance where remuneration outcomes may be influenced by risk, conduct or compliance considerations.

Remuneration Structure

Remuneration arrangements comprise the following:

- Fixed remuneration reflecting role, capability and responsibilities; and
- Discretionary variable remuneration, where applicable

Variable remuneration is not guaranteed and is subject to performance, risk and governance review.

As a non SFI under CPS 511, Foresters is not subject to mandatory deferral requirements. The Board retains discretion to apply deferred remuneration arrangements where considered appropriate, including for the CEO.

Risk and Performance Alignment

Variable remuneration arrangements incorporate both financial and non financial performance measures to ensure alignment with prudent risk management and organisational performance.

Financial performance measures:

- Must not comprise more than 50% of total performance criteria; and
- No individual financial metric may exceed 25% of total measures

Non financial performance considerations may include conduct, compliance, risk management, customer outcomes and leadership behaviours.

Variable remuneration outcomes may be adjusted downward, including to zero, where appropriate in circumstances including:

- Misconduct;
- Material financial or non financial risk failures;
- Breaches of accountability, compliance or fitness and propriety obligations;
- Significant misstatements in remuneration determinations; and
- Significant adverse customer outcomes

These adjustments may occur through in period remuneration adjustment, reduction or cancellation of variable remuneration outcomes as determined by the Board.

Conflicts Management

Remuneration decisions are subject to Foresters' Conflicts Management Framework and governance oversight processes to ensure remuneration outcomes are determined objectively and in alignment with the organisation's risk and conduct expectations.

Review

The Remuneration Framework is reviewed periodically by the Board to ensure continued alignment with relevant prudential requirements including CPS 510 Governance, CPS 511 Remuneration and the Financial Accountability Regime (FAR).