

CPS 511 Remuneration Disclosure for the Financial Year Ended 30 June 2026 (FY26)

1. About This Disclosure

Foresters Financial Limited (Foresters) is an APRA regulated life company operating under the *Life Insurance Act 1995* (Cth). Foresters is classified as a non significant financial institution (non SFI) under APRA Prudential Standard CPS 511 Remuneration.

This public disclosure has been prepared in accordance with APRA Prudential Standard CPS 511 Remuneration and relates to Foresters' remuneration framework and practices for the financial year ended 30 June 2026.

This disclosure provides a qualitative explanation of how remuneration governance supports:

- Prudent risk management;
- Sustainable performance;
- Accountability and consequence;
- Alignment with Foresters' Risk Appetite Statement; and
- Protection of members and long term capital sustainability.

2. Remuneration Governance

2.1 Board Accountability

The Board of Foresters retains ultimate accountability for the Remuneration Framework and its effective application.

The Board is responsible for the following:

- Approving the Remuneration Framework and Policy;
- Overseeing remuneration outcomes for Accountable Persons and other Specified Roles;
- Ensuring remuneration practices promote prudent risk management;
- Ensuring remuneration outcomes align with the long term sustainability of Foresters; and
- Approving this annual CPS 511 disclosure prior to publication.

In FY26, the Board met 8 times, with remuneration matters formally considered at 3 meetings.

The Board retains discretion to reduce or cancel variable remuneration including reducing outcomes to zero where risk, conduct or sustainability concerns arise. The Board considered risk and conduct inputs in determining remuneration outcomes during FY26. No material adverse risk or conduct matters resulted in adjustment to variable remuneration.

2.2 People and Culture Committee (PCC)

As a non SFI, Foresters is not required to maintain a dedicated Board Remuneration Committee. The Board has allocated remuneration oversight responsibilities to the People and Culture Committee (PCC) under its Charter.

The PCC is responsible for:

- Reviewing the remuneration pool in the context of financial sustainability, capital resilience and equitable distribution of outcomes;
- Assessing remuneration outcomes for Specified Roles;
- Considering independent risk input from the Chief Risk Officer (CRO);
- Recommending remuneration outcomes to the Board; and
- Overseeing the operation of consequence and adjustment mechanisms.

In FY26, the PCC met 5 times.

Where the PCC recommends a remuneration outcome contrary to CRO advice, the rationale must be formally documented.

2.3 Independent Risk Input

The CRO provides independent risk input into material remuneration decisions, particularly for:

- Accountable Persons;
- Risk and financial control personnel; and
- Other Specified Roles.

Risk advice considers:

- Financial and non financial risk outcomes;
- Conduct matters;
- Material control failures;
- Accountability and “reasonable steps” under the Financial Accountability Regime (FAR); and
- Alignment with the Risk Appetite Statement.

Remuneration decisions must formally consider risk input prior to approval.

3. Remuneration Framework Overview

Foresters maintains a Board approved Remuneration Framework and Policy that applies to:

- All employees;
- Direct contractors;
- Individuals engaged through related or connected entities (where applicable); and
- Directors, to the extent relevant to remuneration governance oversight noting that Board remuneration is governed separately under the Board Remuneration Policy.

The Remuneration Framework forms part of Foresters’ consequence management arrangements in support of accountability obligations under the FAR. This enables remuneration adjustment including reduction or cancellation of variable remuneration where reasonable steps obligations are not met.

The Framework operates as a governance mechanism that aligns remuneration with risk, conduct and sustainability outcomes. It is applied proportionately having regard to role seniority, risk exposure and accountability.

The objectives of the Framework are to:

- Promote prudent risk management;
- Align remuneration with sustainable performance;
- Reinforce accountability and consequence;
- Protect capital adequacy and liquidity; and
- Support long term member interests.

Remuneration outcomes must not incentivise behaviour inconsistent with Foresters' Risk Appetite Statement. Variable remuneration is subject to downward adjustment where adverse risk, conduct or accountability outcomes arise.

The Remuneration Framework addresses the objectives set out in CPS 511 by ensuring remuneration promotes prudent risk management, long term sustainability and effective consequence management.

4. Specified Roles

For FY26, Foresters identified Specified Roles by reference to CPS 511, including senior managers and risk and financial control personnel.

For FY26, Specified Roles included:

- Chief Executive Officer and Executive Director;
- Chief Risk Officer;
- Financial Controller;
- Head of Growth, following designation as an Accountable Person under FAR during FY26; and
- Client Service Manager, following designation as an Accountable Person under FAR during FY26.

Remuneration outcomes for Specified Roles are subject to Board oversight and, where applicable, Board approval.

Foresters did not identify any highly paid Material Risk Takers for FY26 as no employee's total remuneration was equal to or greater than \$1 million.

Foresters did not identify any additional Material Risk Takers beyond roles already captured as senior management, Accountable Persons or risk and financial control personnel.

Specified Roles are reviewed at least annually and when there are material changes to Foresters' operating model, accountability map, role design or risk profile.

5. Remuneration Structure

Foresters' remuneration structure for FY26 comprised fixed remuneration and, where applicable, limited variable remuneration.

5.1 Fixed Remuneration

Fixed remuneration was the primary form of remuneration at Foresters during FY26.

Fixed remuneration reflects:

- Role responsibilities;
- Skills, experience and capability;
- Market positioning;
- Internal relativities; and
- Foresters' organisational context, size and complexity.

Fixed remuneration is reviewed periodically including as part of annual remuneration review processes, but there is no automatic entitlement to an increase.

During FY26, fixed remuneration adjustments were approved following the annual remuneration review process and were applied retrospectively from 1 July 2025.

5.2 Variable Remuneration

Foresters did not operate a broad based variable remuneration or incentive plan during FY26.

For FY26, the only variable remuneration arrangement in place related to the Chief Executive Officer and Executive Director. Under that arrangement, an additional fixed dollar amount may be payable subject to assessment against Board approved KPIs and consideration of risk, conduct, accountability and sustainability outcomes.

Any CEO variable remuneration outcome is subject to Board assessment and approval. The Board retains discretion to reduce or cancel the amount including reducing the outcome to zero, where performance, risk, conduct, accountability, capital resilience or financial sustainability considerations warrant adjustment.

No other employees participated in a variable remuneration arrangement for FY26.

5.3 Board Discretion and Prudential Considerations

There is no automatic entitlement to variable remuneration.

Where variable remuneration is applicable, the Board may approve, reduce, defer, cancel or otherwise adjust remuneration outcomes having regard to:

- Financial performance;
- Capital adequacy and preservation;
- Liquidity;
- Risk outcomes;
- Conduct and accountability outcomes;
- Alignment with Foresters' Risk Appetite Statement;
- Alignment with Foresters' organisational Values;
- Long term prudential sustainability; and
- Member interests.

Remuneration decisions are assessed having regard to Foresters' financial position, capital resilience, risk profile and long term sustainability.

6. Performance and Risk Alignment

Remuneration promotes prudent risk management and sustainable performance.

Variable remuneration is subject to downward adjustment including reduction to nil where appropriate for adverse risk, conduct, compliance or accountability outcomes.

Financial performance cannot outweigh material non financial risk or conduct failures.

Non financial measures carry material weight in performance assessment.

Independent CRO input is mandatory for material remuneration decisions.

7. Risk Adjustment and Consequence Management

Foresters maintains risk adjustment mechanisms consistent with CPS 511 and proportionate to its remuneration arrangements.

7.1 Adjustment Tools

The following tools may be applied where warranted and where available under the relevant remuneration arrangement:

- Reduction of variable remuneration;
- Cancellation of variable remuneration;
- Deferral, where applicable under the relevant remuneration arrangement;
- Malus, where applicable to unvested remuneration; and
- Clawback, where legally enforceable under the relevant remuneration arrangement.

Reduction to zero is permitted.

7.2 Triggers for Adjustment

Adjustment may be considered where events include:

- Regulatory breaches;
- Material control failures;
- Governance breakdowns;
- Customer harm;
- Failure to escalate risk;
- FAR accountability failures;
- Conduct incidents;
- Financial misstatement; or
- Adverse impacts on capital or sustainability.

The existence of a trigger does not mandate a specific outcome. Decisions are made through documented governance processes.

8. Risk and Financial Control Personnel

Remuneration for risk and financial control personnel is structured to preserve independence and is not directly linked to the financial performance of the business. Remuneration is designed to reflect the quality of oversight and control effectiveness.

Remuneration for risk and financial control personnel is subject to appropriate Board and PCC oversight, having regard to the size and complexity of Foresters.

9. Conflicts of Interest

Foresters maintains governance controls to manage conflicts in remuneration decision making including:

- Exclusion of individuals from decisions relating to their own remuneration;
- Independent risk input for material decisions;
- Board oversight; and
- Formal documentation of decision rationale.

Foresters maintains documented processes to identify and mitigate remuneration linked conflicts arising from third party or related entity compensation arrangements. This includes risk assessment, contractual controls, monitoring of conduct outcomes and escalation to the Risk Function and PCC where material.

10. FY26 Variable Remuneration Outcomes

For FY26:

- Remuneration outcomes reflected balanced financial and non financial performance measures;
- Risk and conduct assessments were completed for material remuneration decisions;
- Remuneration outcomes for Specified Roles were subject to Board oversight and, where applicable, Board approval;
- No in period adjustments, malus or clawback actions were applied;
- Remuneration decisions were supported by documented risk assessment and governance approval records consistent with the Framework's audit trail requirements; and
- No remuneration outcomes were determined solely by financial performance.

Foresters did not operate long term incentive arrangements in FY26. As a non SFI, mandatory deferral requirements under CPS 511 do not apply; however, risk adjustments and discretion operate as the primary prudential safeguards.

11. Annual Review

The Remuneration Framework is formally reviewed at least annually.

The FY26 review considered:

- Continued compliance with CPS 511;
- Alignment with the Risk Management Framework;
- Compliance with the Financial Accountability Regime (FAR);
- Operation of consequence and adjustment mechanisms; and
- Alignment with Foresters' strategic objectives and risk appetite.

This disclosure was approved by the Board on 22 June 2026.

END