



AIG Australia Limited

Remuneration Disclosure Statement

Our Framework

AIG Australia Limited ('AIG Australia', 'we', 'us', or 'our') has established an appropriate remuneration framework and practices that align with its business strategy and forms a key component of its wider enterprise risk management framework.

AIG Australia's remuneration principles have been designed to support its values and strategy, and promote effective management of financial and non-financial risk. It does this by:

- providing a market-competitive, performance-driven, risk-based remuneration structure.
- using variable incentive compensation to reward annual and long-term risk-adjusted performance and to provide exceptional pay opportunities for top performers at all levels of AIG Australia.
- balancing financial and non-financial performance measures to drive high-performance results compared to relevant benchmarks and to achieve sustainable increases in the intrinsic value of AIG Australia.
- providing clear and consistent communication about performance and remuneration.

This remuneration framework complies with Prudential Standard CPS 511 and aims to ensure remuneration arrangements are appropriately designed and managed, and consistently applied, across AIG Australia.

Governance

Our Board of Directors (the 'Board') have ultimate responsibility for AIG Australia's remuneration framework and its effective application including final approval of our Remuneration Policy, reviewed at least biennially or upon any proposed material changes. To support the Board in overseeing the framework and fulfilling its obligations, it has established the Remuneration Committee (the 'Committee'), which meets twice a year as a minimum, to oversee remuneration matters in accordance with our Remuneration Policy and its Charter.

The Committee exercises its discretion from the Board in determining remuneration outcomes by reviewing remuneration arrangements, setting amounts, limits, terms and conditions, based on the reports and recommendations of the other Board committees, the Chief Executive Officer, Chief Risk Officer, and the Head of Human Resources, in carrying out its functions.

The Board, guided by its obligation to ensure long term financial soundness of AIG Australia and appropriate risk management, may consider adjustments to performance-based remuneration, including the ability to defer variable remuneration and/or adjust remuneration downwards upon recommendation from the Remuneration Committee.

Our Remuneration Structure

AIG Australia is committed to paying its employees competitively and rewarding individual performance that contributes directly to our business success. Our pay structure is referred to as Total Direct Compensation (TDC). This encompasses three components:

- **Base Salary** is targeted within a market competitive range and reflects the duties and responsibilities of each employee.
- **Short-Term Incentives (STI)** gives eligible employees the opportunity to earn greater rewards based on both business performance and individual performance.
- **Long-Term Incentives (LTI)** rewards eligible senior-level employees for long-term performance.

AIG colleagues are also placed into specific job grades based on their duties and responsibilities, with each job grade providing associated guidance on appropriate salaries. This structure is intended to promote pay consistency across our global business and provide confidence to employees in the discipline of our pay practices.

Risk Management

AIG's Purpose & Values guide how we act and serve. 'Do What's Right' is one of these core values and reflects how we act in the best interest of our colleagues, customers, and shareholders.

AIG Australia's variable remuneration components (short- and long-term incentives) are awarded based on annual performance against a balanced scorecard with both financial and non-financial measures. To that end, certain weighting factors are impacted by risk management considerations which promote the effective management of both financial and non-financial risks, as well as sustainable business performance.

Executive Remuneration

Our Remuneration Policy identifies certain executive roles, or material risk-takers, and risk and financial control personnel (including the Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer), which receive both fixed and variable remuneration on the bases outlined above and are subject to additional measures such as:

- Assessment of risk behaviours, risk-taking activities, and consequence management; and
- 'Clawback' and 'malus' provisions for considerations of risk management failures, material breaches, excessive risk taking, or misconduct.

These measures thereby support the prevention and mitigation of conduct risk, as well as enforce accountability which foster a strong risk culture. Separate arrangements are in place for non-executive directors.

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Head Office NEW SOUTH WALES

Level 19, 2 Park Street
Sydney, NSW 2000, Australia

General enquiries
Tel: +61 2 9240 1711

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