



Lawcover Insurance Remuneration Disclosure 2024–25

1. Introduction

Lawcover Insurance Pty Ltd (Lawcover) is an APRA-regulated insurance entity. Under APRA's prudential standards, it is classified as a non-Significant Financial Institution and is required to publish an annual disclosure of its remuneration practices on its website¹. This document discloses the remuneration practices for the period July 2024 to June 2025 (FY25).

2. Design and Structure of the Remuneration Framework

Lawcover's remuneration framework is designed to align with its business plan, strategic objectives, and risk management framework. It promotes effective management of financial and non-financial risks, sustainable performance, and long-term soundness. The framework supports the prevention and mitigation of conduct risk and recognises individual contributions to risk management. Remuneration includes fixed and variable components, with variable remuneration (VR) linked to performance and risk outcomes.

3. Remuneration Governance

The People and Remuneration Committee of the Board (the Committee) has responsibility for the remuneration framework and policy. The Committee makes recommendations to the Board on remuneration decisions and recommends a proposed Remuneration Policy to the Board for approval. The Committee met twice in FY25 and the Board met six times.

4. Remuneration Policy Details

Employees are categorised as Executive Managers (Tier 1), Senior Staff (Tier 2), and General Staff (Tier 3). Tier 1 staff include the CEO, CFO, CIO, CLO and CRO.

The Balanced Scorecard is approved by the Board annually as a reflection of the strategic objectives and business plan. The Balanced Scorecard includes measures on financial soundness and sustainability. Every employee is set KPIs that support the achievement of strategic objectives and the metrics of the Balanced Scorecard. The KPIs include the Values outlined in the Code of Conduct.

¹ CPS 511 *Remuneration*, Paragraphs 91-98. APRA, 1 January 2024.

VR outcomes are aligned in the Remuneration Policy with individual and company performance, as assessed through individual KPIs and the company Balanced Scorecard respectively, thus aligning remuneration to the business plan and strategic objectives.

The Committee makes recommendations based on these assessments, to be approved by the Board, on the overall pool of VR granted and the individual grants of VR to Tier 1 staff.

The Board retains the right to reduce VR to zero. Consequence management is applied in the event of material breaches or misconduct, including the use of malus and claw back provisions. Tier 1 staff are individually assessed on their management of both financial and non-financial risks in a report to the Committee by the Chief Risk Officer. Tier 2 and 3 staff have an assessment on risk behaviours completed by their managers as part of their annual performance review. All the People & Remuneration Committee members are also members of the Risk Committee and able to observe the risk management framework and Executive behaviours through the Risk Committee. This oversight aligns remuneration with the effectiveness of the risk management framework and promotes the management of both financial and non-financial risks.

5. Deferral and Adjustment of Variable Remuneration

Tier 1 staff are deemed to be Accountable Persons under the *Financial Accountability Regime Act 2023* (the Act). For Tier 1 staff with significant VR, 40% is deferred for 48 months. The Board may reduce or cancel deferred VR in cases of misconduct, risk management failures, or breaches of accountability.

6. Public Disclosure Practice

Lawcover will publish this disclosure document on its website in conjunction with the finalisation of its annual accounts. It supports transparency, consistency, and comparability in accordance with CPS 511 requirements