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Adica – CPS 511 Disclosures: Remuneration Report for Financial Year 2025

These remuneration disclosures have been prepared in line with the Australian Prudential Regulation Authority's (**APRA**) Prudential Standard CPS 511 (Remuneration) (**CPS 511**). CPS 511 requires that all non-SFIs (as defined in the CPS 511) meet the minimum requirements for public disclosure of qualitative information concerning their remuneration practices.

Governance	
Main bodies that oversee remuneration	Board of Directors (**Board**) and the People, Culture and Remuneration Committee (**PCRC**). The Board is comprised of two executive directors (including the Chief Executive Officer) and four non-executive directors. The PCRC is comprised of four non-executive directors and is chaired by the Chair of the Board. The PCRC was established by the Board to assist the Board in discharging its responsibilities relating to Adica's remuneration framework, including the remuneration of employees, executives, non-executive directors and other responsible persons in accordance with Adica's remuneration policy (**Remuneration Policy**).
Number of meetings held by the main bodies overseeing remuneration during the financial year	Board: 9 PCRC: 6
How the Board exercises its discretion in determining remuneration outcomes	The Board has responsibility for the sound and prudent management of Adica, and is ultimately responsible for Adica's remuneration framework (**Framework**). The Board exercises its discretion in determining remuneration outcomes by considering individual and company-wide achievements. The Board ensures that remuneration decisions are fair, competitive, and supportive of Adica's strategic objectives.
How the Board oversees remuneration policies and the input provided by the PCRC	The Board oversees Adica's Remuneration Policy and has established the PCRC which assists with remuneration settings. The Board approves any updates to the Remuneration Policy. The Remuneration Policy is a component of the Framework which is designed to assist in the realisation of Adica's strategic objectives and the effective management and mitigation of the potential risk incentives arising from Adica's remuneration arrangements. The PCRC holds the necessary experience and expertise in setting remuneration, as well as sufficient industry knowledge to allow for the effective alignment of Adica's remuneration arrangements with its strategic goals and risk management responsibilities.

Framework	
Design and structure of the remuneration framework, including how it: **(a) aligns to Adica's business plan, strategic objectives and risk management framework;** **(b) promotes the effective management of both financial and non-financial risks, sustainable performance and long term soundness; and** **(c) supports the prevention and mitigation of conduct risk.**	(a) The Board has responsibility for the sound and prudent management of Adica. The Board exercises its discretion in determining remuneration outcomes by considering individual and company-wide achievements. The Board ensures that remuneration decisions are fair, competitive, and supportive of Adica's strategic objectives. The Remuneration Policy is a component of the Framework which is designed to assist in the realisation of Adica's strategic objectives and the effective management and mitigation of the potential risk incentives arising from Adica's remuneration arrangements. (b) The Framework is structured to promote the effective management of both financial and non-financial risks. It includes mechanisms to reward sustainable performance and long-term soundness (including a reduction to zero of variable remuneration), ensuring that incentives are aligned with Adica's Risk Appetite Statement. The Remuneration Policy is aligned with the prudential regulations applicable to locally incorporated general insurance companies as set out in CPS 511, APRA's Prudential Practice Guide PPG 511 (Remuneration) and Prudential Standard CPS 510 (Governance) and the Financial Accountability Regime Act 2023 (Cth) (the Governance Standards). The Framework supports Adica's Risk Management Framework. The Board has responsibility for ensuring that there are sufficient procedures, controls and levels of oversight in place for ascertaining Adica's compliance with the Governance Standards. This compliance will be attested to in the Risk Management Declaration that Adica must annually submit to APRA. (c) The Remuneration Policy incorporates measures to prevent and mitigate conduct risk. This includes aligning rewards with ethical behaviour and company values, thereby discouraging any practices that may lead to misconduct or unethical behaviour. The Framework also permits reduction of variable remuneration to zero in response to misconduct. In accordance with CPS 511, Adica maintains remuneration arrangements which appropriately incentivises individuals to prudently manage the risks they are responsible for and provides for appropriate consequences where there are poor risk outcomes.
Policy	
Remuneration Policy, including: **(a) how variable remuneration**	(a) Variable remuneration outcomes are aligned with individual and organisational performance. Performance metrics are clearly defined and linked to strategic objectives to ensure that variable pay reflects both personal and company-wide achievements. Employees have performance plans which

outcomes are aligned with performance, where relevant; **(b) how consequence management is applied in the event of a material breach or misconduct;** **(c) a description of the different forms of variable remuneration offered to employees in specified roles and the rationale for using these different forms offered (if offered); and** **(d) a description of the ways in which Adica defers and adjusts variable remuneration to take account of longer-term performance, including risk performance.**	list their objectives. These objectives are determined in line with Adica's strategic objectives and are approved by the employee's manager. Employees may receive a discretionary bonus based on company performance and individual performance. (b) Consequence management relates to the expectations of employees as outlined in Adica's Code of Conduct. In the event of a material breach or misconduct, consequence management is rigorously applied. This may include adjustments to remuneration, disciplinary actions, or other appropriate measures to address the breach and prevent recurrence. (c) With the exception of Senior Managers, no Adica employee has a contractual right to any variable remuneration. Adica aims to make the fixed salary of each person or class of persons covered by the Remuneration Policy a sufficient proportion of their total remuneration, in order to enable the variable component of the salary to be genuinely discretionary. Adica may offer variable remuneration in the form of performance bonuses and long-term incentive plans. Each form is used based on its suitability for different roles and objectives. The rationale for using these different forms is to align rewards with performance, retain talent, and drive long-term value creation. Adica's executives are often able to make decisions that can materially influence the Adica's long-term financial soundness. Accordingly, Adica structures the components of variable remuneration arrangements in a manner that aligns the financial incentives for executives with the Adica's long-term success. (d) The variable components of Adica's remuneration arrangements, including the setting of performance targets and the measurement of actual performance against these targets, will be aligned with an attitude of prudent risk taking and will therefore be able to incorporate adjustments to reflect: • the outcomes of Adica's business activities; • the risks related to its business activities and the employees undertaking those activities; and • the time necessary for the outcomes of these business activities to be reasonably measured. Adica is confident that incorporating a consideration of risk into its remuneration arrangements will mean that the level of each person or class of persons' variable remuneration will reflect the level of risk to which the company is exposed by each person or class of persons performing their role.