



MIPS Group Remuneration Disclosure

For the financial year ended 30 June 2025

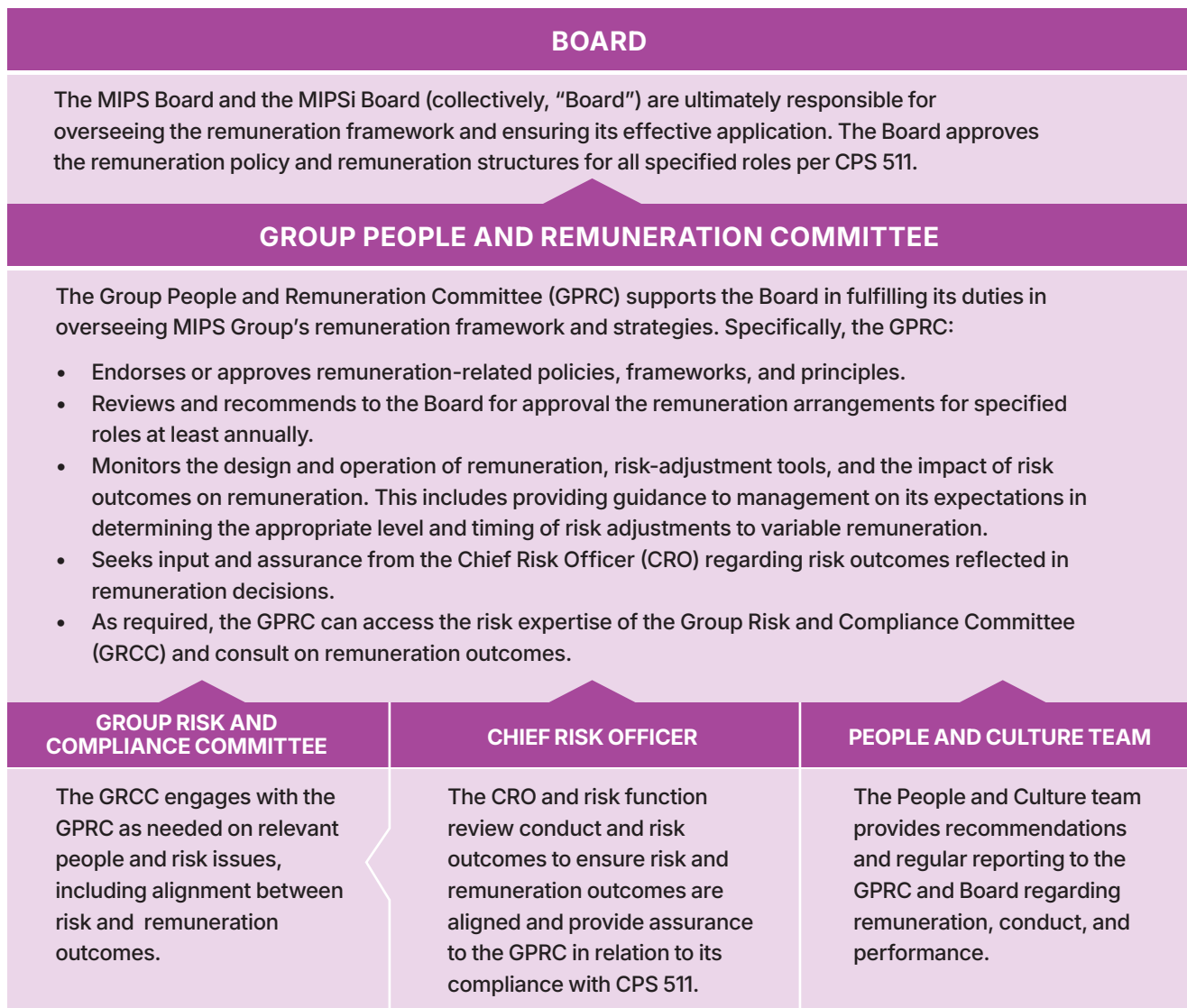
1. Introduction

This remuneration disclosure relates to MIPS Insurance Pty Ltd (MIPSi), a wholly owned subsidiary of Medical Indemnity Protection Society (MIPS) and a licensed insurer under the Australian Prudential Regulatory Authority (APRA) regulatory framework. This disclosure has been prepared pursuant to paragraphs 91 to 98 of APRA Prudential Standard CPS 511 Remuneration (CPS 511) and relates to the financial year ending 30 June 2025 for MIPSi. MIPS and MIPSi together constitute the MIPS Group.

2. MIPS Group Remuneration Framework

Remuneration Framework Governance

Main Bodies Overseeing Remuneration: The remuneration framework at MIPS Group is governed under the structure outlined below:



Meetings Held During FY25:

- **MIPS Board:** 6 meetings
- **MIPSi Board:** 6 meetings
- **Joint MIPS/MIPSi Board:** 6 meetings
- **GPRC:** 4 meetings
- **GRCC:** 4 meetings

Board Discretion in Remuneration Decisions: The Board has ultimate discretion to adjust remuneration outcomes based on a range of factors including risk, conduct, unforeseen consequences, business performance, operating environment changes, compliance or reputational issues, long-term shareholder impacts, and adherence to the Consequence Management Framework (CMF). Adjustments to variable remuneration may be made upwards or downwards, including to zero, in alignment with these factors.

Specified Roles

This disclosure covers the remuneration arrangements of persons in specified roles at MIPS Group, as outlined below.

ROLE TYPE	INCLUDED POSITIONS
Senior Managers	Executive Leadership Team (ELT) - CEO and direct reports to the CEO ¹
Material Risk-Takers²	Certain senior managers, as well as other key senior roles whose activities have a material potential impact on MIPS Group's risk profile, performance and long-term soundness
Risk and Financial Control Personnel (RFCP)	MIPS Group personnel whose primary role is in risk management, compliance, internal audit, financial control or actuarial control

¹ Includes executive direct reports only and excludes executive support roles.

² MIPS Group had no Highly Paid Material Risk-Takers in FY25.

3. Design and Structure of MIPS Group Remuneration Framework

MIPS Group is committed to a remuneration framework that is fair, market competitive and consistent with best practice, while also supporting the interests of its members and complying with applicable regulatory requirements including CPS 511. The MIPS Group remuneration framework is structured to support the achievement of organisational strategy and objectives, prudent risk management, and sustainable, long-term success.

MIPS Group’s FY25 Remuneration Framework for the ELT and specified roles is set out below.

OUR PURPOSE

To support, protect and advise the people and communities in healthcare

OUR VISION

Industry leading support for healthcare professionals

OUR CORE BEHAVIOURS

Our core behaviours, 'WHO ME', underpin every action our people undertake. WHO ME stands for:

<p>Work together</p> <p>Collaboration across teams achieves the best outcomes, for both our members and ourselves</p>	<p>Have fun</p> <p>Working with positivity and enthusiasm inspires our team to succeed</p>	<p>Own it</p> <p>We are each responsible for taking initiative, constructively managing risk and demonstrating accountability</p>	<p>Make a difference</p> <p>The pursuit of sustainability value and actively innovating to make an impact for our members, people and community is part of our DNA</p>	<p>Embrace challenges</p> <p>Challenges present an opportunity to learn and evolve as an organisation; we embrace challenge with a growth mindset</p>
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Our remuneration principles, approach and key framework features

<p>Alignment to the MIPS Group's business plan, strategic objectives, and risk management framework</p>	<p>Promotion of effective management of financial and non-financial risks, sustainable performance, and long-term soundness</p>	<p>Supports the prevention and mitigation of conduct risk</p>
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- **Remuneration structure:** Remuneration for ELT members include both fixed remuneration (base remuneration plus superannuation) and variable remuneration, and is directly linked to the achievement of the strategic and long-term sustainability goals outlined in the 2025 - 2030 MIPS Group Business Plan through individual key performance indicators (KPIs).
- **Balanced Performance Assessment:** Remuneration decisions, both fixed and variable, reflect financial and non-financial outcomes.
- **Alignment between risk and remuneration:** Remuneration reviews consider not only traditional performance outcomes but also adherence to risk management expectations and desired behaviours as set out in the RMF and supporting policies. Risk-adjusted performance measures are used, with an equal focus on behaviours and conduct. The Board maintains strong oversight and discretion to ensure remuneration and risk outcomes are aligned.
- **Funding for variable remuneration:** The total amount of the variable remuneration pool globally is considered in connection with MIPS Group's long-term economic performance and the sustainability framework.
- **Variable Remuneration Capped and Conditional:** Eligibility for variable remuneration is limited primarily to the ELT, with capped amounts and strict eligibility criteria to avoid incentivising inappropriate risk-taking. The payment of any variable remuneration is conditional upon the absence of significant risk events, breaches of compliance, or management failures (as specified in the CMF).
- **Preconditions for Payment of Variable Remuneration:** No variable remuneration is paid where there are significant failures in risk management, accountability, fitness and propriety, or compliance. Eligibility for fixed and variable remuneration adjustments also considers market relativities and MIPS Group's long-term financial position to ensure ongoing viability.
- **External Benchmarking:** Remuneration for new roles is set using industry benchmarking and parity reviews to maintain market competitiveness while supporting the entity's long-term financial health.
- **Conduct and Consequence Management:** MIPS Group is committed to fostering a behaviours-led culture, underpinned by its CMF. Any behaviours that undermine MIPS Group's risk culture and conduct expectations, lead to significant adverse financial or non-financial outcomes, or breach accountability obligations are subject to remuneration adjustments – including reduction, withholding, or clawback of variable pay – or, where warranted, further disciplinary action.
- **RFCP:** Remuneration arrangements for RFCPs are designed to support independent and effective oversight. For RFCPs who have variable remuneration, outcomes are primarily linked to the achievement of risk management, compliance and control effectiveness objectives, rather than the financial performance of the business areas they monitor.

ELT Remuneration

Fixed Remuneration

Fixed Remuneration is comprised of base salary and superannuation. Base salary is determined with reference to the role, performance, market relativity and benchmarking and MIPS Group's long-term financial position. Fixed Remuneration is reviewed annually as part of the Annual Review process.

Variable Remuneration

In FY25, MIPS Group introduced short-term incentives for the ELT for the first time, referencing the Risk Management Strategy and Business Plan to develop KPIs reflecting both risk and performance outcomes, which directly determine variable remuneration.

MIPS Group Short-Term Incentive (STI)

FEATURE	MIPS GROUP FY25 STI DETAILS
Overview and Rationale	STI was introduced in FY25 for the ELT and is designed to motivate, reward, and retain employees for the achievement of annual KPIs linked to the business plan and risk management.
Eligibility	Members of ELT
Opportunity	Discretionary award capped at 10% of total fixed remuneration, up to an overall maximum of \$50,000.
Form of Award	Cash
Performance period	FY25
Performance Metrics & Determination	STI awards are based on a balanced scorecard of individual financial and non-financial KPIs, derived from organisational KPIs in the business plan, including member satisfaction (Net Promoter Score), member retention, risk culture and demonstration of MIPS Group WHO ME behaviours.
Risk and Conduct Adjustment	STI is subject to downward adjustment or forfeiture if outcomes are not consistent with MIPS Group's risk culture, or in cases of risk management failures, misconduct, or breach of accountability. Recommendations consider input from the CRO and GRCC.
Clawback	STI awards may be adjusted downwards, withheld or clawed back in cases of serious misconduct or after incidents with significant financial/non-financial consequences, as per the CMF.
Governance	Annual review and approval by the Board, guided by recommendations from the GPRC, aligning outcomes to business plan, performance, and risk outcomes.

From time to time, MIPS Group may provide other cash or non-cash variable remuneration, including project and service awards or one-off retention, sign-on, buy-out or termination payments. Variable remuneration of any form cannot exceed more than 10% of an employee's package salary or \$50,000 in total.

4. Consequence Management Framework

MIPS Group applies a three-tier consequence management framework to all employees. Misconduct and poor conduct trigger a downward adjustment or forfeiture of variable remuneration.

- Low rated incidents are generally managed through standard performance management processes or conversations.
- Employees rated at Tier 2 (Serious or Disastrous) are ineligible for variable pay in the relevant year, and formal disciplinary action may be taken.
- Employees rated at Tier 3 (Catastrophic) are ineligible for variable remuneration or fixed remuneration increases in the relevant year. Other consequences may include formal disciplinary action or termination. In the cases of serious misconduct, withholding or clawback of variable remuneration may occur.

The CMF is applied transparently and equitably, with all outcomes logged and periodically reviewed by the GPRC. Conduct risk mitigation is further reinforced through annual training, clear policy frameworks, and regular dialogue between risk management People and Culture leads and People Leaders directly, illustrating MIPS Group's commitment to integrity and ethical conduct throughout the organisation.

The CMF is reviewed biennially and approved by the GPRC.

5. Looking to the Future

In the future (FY26 onward), MIPS Group will continue to review our remuneration framework, to ensure it is fit for purpose and supports our vision, purpose and strategy. This includes enhancing our variable remuneration arrangements and the integration of risk and consequence management practices in remuneration decisions.

