

Compensation Disclosure 2025

Introduction

Everest International Reinsurance, Ltd. (**EIR**) is an international insurer with headquarters in Bermuda and provides insurance and risk management products for industrial holdings and medium-sized companies. It is a member of the Everest Group, Ltd. and its subsidiaries (**Everest Group** or the **Group**).

The following compensation disclosure has been prepared by the Australian branch of EIR (**EIR Australia** or the **Branch**), in accordance with the Australian Prudential Regulation Authority's (**APRA**) compensation disclosure under Prudential Standard CPS 511 Remuneration (**CPS 511**). For the purposes of CPS 511, 'Compensation' when used in this document shall mean 'Remuneration'.

Please note, for the purposes of this paper, the financial year for Everest is 1 January 2024 to 31 December 2024. Everest received its authorisation to carry on insurance business on 13 May 2024.

Compensation governance

Everest Group and/or committee with delegation

The Everest Group and/or the committee with delegation reporting to it (**Committee**) are responsible for management and effective governance. The Everest Group and/or Committee are responsible for:

- setting the overall compensation structure that the Branch operates in;
- reviewing the Group's policies and business strategies;
- advising and counselling the Group Chief Executive Officer (**CEO**) and other Group executive officers who manage Everest Group's businesses;
- soliciting feedback from shareholders and engaging in discussions with stakeholders on governance issues and improvements;
- reviewing director compensation annually, including exercising discretion in determining compensation outcomes;
- maintaining oversight over Everest Group's risk management as overseen by Everest Group's Audit Committee, Risk Management Committee, Enterprise Risk Committee, and other risk committees;
- approving variable compensation for the SOOA (including variable compensation outcomes);
- following an assessment from the most appropriate representative of the FAR team (e.g. to ensure protection of confidentiality), considering and where appropriate approving adjustments to the SOOA's compensation, including using its overriding discretion to exercise malus and clawback and make downward adjustments, including to nil; and
- following an assessment from the most appropriate representative of the FAR team (e.g. to ensure protection of confidentiality), monitoring and overseeing appropriate notification to the FAR regulator of any downward adjustment in variable compensation for the SOOA following a failure to meet the FAR accountability obligations.

Additionally, prudent risk management is embodied through the Everest Group as part of their culture and is a key point of importance. Due to the complex risk-based nature of the business, the Everest Group divides its risk management responsibilities between financial and operational risks. Financial risk oversight is within the purview of the Group Audit Committee, and operational risk is overseen by the Group Risk Management Committee, as well as other risk committees such as the Enterprise Risk Committee.

While each such committee is responsible for evaluating the Group's respective risks, the Everest Group is kept informed of the respective committee's activities and actions through committee reports.

Group Compensation Committee

The Group Compensation Committee sets the compensation framework for Everest Group, including in respect of positions such as the Senior Officer Outside of Australia (**SOOA**). The Group Compensation Committee has the appropriate skills, experience and expertise to exercise competent and independent judgement and risk management as they relate to the Group's people policies. The Group Compensation Committee is responsible for:

- discharging the Board's responsibilities relating to the compensation of the company's officers at the level of Senior Vice President and above, the Treasurer, Secretary and Chief Internal Audit Officer;
- reviewing the compensation discussion and analysis with management;
- reviewing the relationship between the Group's risk management policies and practices and executive compensation arrangements and recommending changes to the Group Board regarding compensation risk mitigation measures;
- reviewing and making recommendations to the Group Board on the overriding compensation philosophy for the Group;
- oversight for all of the Group's compensation and benefit programs, including making recommendations to the Group Board with respect to incentive compensation plans and equity-based plans;
- retaining or obtaining the advice of a compensation consultant, independent legal counsel or other adviser; and
- human capital management, including succession planning, talent development, employee engagement and diversity, equity and inclusion.

SOOA

The SOOA is ultimately responsible for ensuring management and effective governance for the Branch, and provides governance in addition to the Everest Group and/or the committee with delegation, and Group Compensation Committee. The SOOA is responsible for:

- the compensation framework and its effective application;
- approving the Compensation Policy, including subsequent revised versions following review by the Senior Manager (Australian Country Head);
- approving this Compensation Disclosure document;
- nominating or approving any specified roles;

- approving variable compensation for specified roles (including variable compensation outcomes), including exercising discretion where required (excluding the SOOA's own variable compensation);
- approving the total compensation (including short-term and long-term incentive schemes) of specified roles (excluding the SOOA's own total compensation);
- approving all incentive schemes for specified roles (excluding the SOOA's own incentive scheme);
- conducting self-assessments to ensure the Compensation Policy is implemented and embedded;
- ensuring the risks in the Compensation Policy are managed in line with the Risk Management Strategy and policies;
- considering, and where appropriate, approving adjustments to compensation, including using its overriding discretion to exercise malus and clawback and make downward adjustments, including to nil;
- ensuring the FAR regulator is informed of any downward adjustment in variable compensation for Accountable Persons following a failure to meet the FAR accountability obligations (for any Accountable Person that is not the SOOA); and
- meeting with APRA as required.

The SOOA consults with the Risk and Compliance Committee (**RCC**), Australian Country Head (**ACH**), the Asia Pacific Head, Co-International CEO, Group CEO, other Board Committees, risk and financial control personnel, or any other party as required.

The SOOA had two RCC meetings during the 2024 financial year (1 January 2024 to 31 December 2024). Only two RCC meetings were held during this period as Everest only received authorisation to carry on insurance business on 13 May 2024. In an ordinary calendar year there would typically be four to five RCC meetings. The Executive Branch Committee (**EBC**, a committee of the EIR Board) meets quarterly. In the 2024 financial year the SOOA attended one meeting of the EBC.

Compensation framework

The Branch's compensation framework is designed to:

- reinforce and promote behaviours that are consistent with the Branch's culture and risk management framework (**RMF**);
- align compensation arrangements with the entity's strategic objectives, business plan, and RMF;
- align any variable compensation outcomes with individual performance;
- promote effective management of both financial and non-financial risks, sustainable performance and the entity's long-term soundness;
- ensure compensation outcomes are commensurate with performance and risk outcomes; and
- support the prevention and mitigation of conduct risk.

An overview of the Branch's compensation framework is below.

Everest Group and/or committee with delegation Group Compensation Committee SOOA, and RCC oversight					
Business strategy	Risk framework	Compensation framework			
		Compensation Policy	Compensation objectives and principles <ul style="list-style-type: none">Foster equity and fairnessAttract and retain talent, as well as reward high performance and desired behavioursPromote long-term sustainable decision making		
			Compensation design <ul style="list-style-type: none">Fixed compensation (base salary, superannuation, allowances and benefits)Variable compensation comprises of participation in the:<ul style="list-style-type: none">Everest Annual Incentive Plan, which is based on individual financial and non-financial performance and Everest performance as a whole and includes the payment of cash bonuses (with the payment of these bonuses subject to the assessment of [Everest Group and/or the committee with delegation]); andStock Incentive Plan, which includes equity-based payments (e.g., options and restricted shares).		
		Compensation structure	Performance management	Compensation outcome	Consequence outcome
			<ul style="list-style-type: none">Annual performance, salary and incentive review processes are implemented, with the Everest Group approach forming the foundational layer for the Branch's performance management framework. The performance management framework is supported by reference to the development of Objectives and Key Results (OKRs) and goals and a balance scorecard approach.Individual variable compensation outcomes are determined by the Branch's senior management based on a variety of factors, including individual performance (both financial and non-financial), Branch results and individual contributions and responsibilities. Individual performance is assessed using OKRs and goals.SOOA has authority in relation to the above processes, excluding their own performance management.	<p>The variable compensation incentives contain provisions that:</p> <ul style="list-style-type: none">align variable compensation with performance and risk outcomes; andmonitor payment and vesting of variable compensation occurs on the basis of performance of person and entity, and effective risk management.	<p>The Group's consequence management process contains provisions that address conduct and consequence management.</p>
		Governance framework			

Compensation Policy

The Branch's Compensation Policy sets out the compensation framework, structure, and processes to achieve Everest Group's compensation objectives.

The compensation framework is designed to reward for contribution in achieving Everest Group's strategic objectives, improving long-term financial sustainability and alignment with the risk framework.

The Compensation Policy outlines roles and responsibilities of the Everest Group and/or the committee with delegation, the SOOA, the RCC and the Senior Manager in Australia, alongside management, Chief Risk Officer (**CRO**) and Audit team in relation to the Branch's approach to the management of risk, compensation design and review processes.

Specified roles

The Compensation Policy outlines the positions that are considered specified roles. These are:

- **Executive directors:** the Branch currently does not have anyone who is an executive director
- **Senior managers:** individuals who are part of the executive leadership team: Head of People and HR Business Support, APAC; Head of Pacific/MD Australia; Head of Legal – Pacific; Chief Risk Officer, Pacific; Chief Financial Officer – Pacific; Head of Claims – Pacific; Head of Claims – Pacific.
- **Material risk-takers:** certain roles that have been identified as senior managers: Head of Casualty – Pacific; Head of Financial Lines – Pacific; Head of Property – Pacific; Head of Energy and Construction – Pacific.
- **Highly paid material risk-takers:** the Branch currently does not have anyone who is a highly paid material risk-taker.
- **Risk and financial control personnel:** certain roles that have been identified as senior managers.

Forms of compensation

The Group offers variable compensation at multiple levels of the organisation, to reward performance, align employees with business goals and motivate and retain key employees.

The key forms of the Group's compensation structure for specified roles consist of:

Key element	Description
Fixed compensation	Fixed compensation comprises of base salary, superannuation, allowances and benefits and reflects the size and complexity of the role, capability and experience of the individual, and scarcity in the market.
Variable compensation	<p>Variable compensation is designed to reward performance and sustain the long-term financial performance of the Group.</p> <p><u>Everest Annual Incentive Plan:</u></p> <ul style="list-style-type: none"> • The Branch awards annual performance-based cash bonuses, with the payment of these bonuses subject to the assessment of Everest Group and/or the committee with delegation. • Senior management are eligible to participate in the Annual Incentive Plan. The scheme rewards participants up to a set opportunity for each year, with the amount dependent upon performance of the individual and the business. • The actual cash bonus amounts recommended for participants are determined by the Branch's senior management based on a variety of factors including individual responsibilities, behaviours, experience, contributions and performance and the results of the Branch and approved by Group senior management. • The Annual Incentive Plan is designed to reward past accomplishments, motivate future accomplishments, and aid in attracting and retaining employees of the calibre necessary for the continued success of the Branch. • Additionally, the objectives for the cash bonus are aligned with prudent risk-taking and the RMF through a combination of business plan targets and strict operational controls. <p><u>Stock Incentive Plan</u></p> <ul style="list-style-type: none"> • Certain employees of the Everest Group and its subsidiaries (including the Branch) are eligible for equity-based payments under the Stock Incentive Plan. • Under the Stock Incentive Plan, shares vest over a 3-year period and upon termination of employment, the participant would typically lose unvested options (unless accelerated vesting conditions apply) and restricted shares. • The intention of the Stock Incentive Plan is to reinforce a long-term perspective on corporate performance and to provide an incentive for key executives to remain with the Everest Group and its subsidiaries for the long term. • Vesting may be extended to a 4 year period where required to meet FAR requirements. <p><u>Other incentive arrangements</u></p> <ul style="list-style-type: none"> • Everest Group may also offer other incentive arrangements from time to time, at its sole discretion. These arrangements recognise alignment to the Group's business plan, strategy, RMF, values and achievements beyond the existing schemes.

Compensation and risk management

The RMF outlines the process of identifying, analysing and assessing risk in a consistent manner using common systems and methodologies. With the Compensation Policy, RMF and Risk Management Strategy, it sets out the requirements to ensure that decisions are well informed and aligned to achieving strategic objectives, within the approved risk appetite.

Consequence management

The Everest Group, committee with delegation and/or the SOOA may vary or clawback a person's variable compensation in any circumstance in which the Everest Group, committee with delegation and/or the SOOA considers appropriate. This includes in the event of:

- Misconduct leading to significant adverse outcomes;
- A significant failure of financial or non-financial risk management;
- A significant failure or breach of accountability, fitness, and propriety, or compliance obligations;
- A significant error or a significant misstatement of criteria on which the variable compensation determination was based;
- Unexpected financial loss and reputational damage;
- Significant adverse outcomes for customers, beneficiaries, or counterparties;
- Situations where the Everest Group finances do not support funding of variable compensation for branch locations; and
- Failure to comply with accountability obligations in accordance with the FAR.

The Everest Group, committee with delegation and/or the SOOA (where appropriate) may take such steps to adjust variable compensation commensurate with the severity and extent of the conduct triggering the adjustment. The adjustment tools include:

- pausing variable compensation payments or vesting of variable compensation payments for such period as is warranted to correct the conduct;
- reduction of future variable compensation payments including reduction to nil;
- clawback of past variable compensation payments (for up to two years after payment) that are eligible for recovery, where legally permissible; and
- applying malus to vested variable compensation payments.

The variable compensation adjustment tools may be applied to employees or contractors who have ceased employment with the Branch where legally permissible.