



Disclosures required under Prudential Standard CPS 511 Remuneration

Introduction

These remuneration disclosures have been prepared in line with APRA Prudential Standard CPS 511 *Remuneration* (“**CPS 511**”).

CPS 511 requires that all non-SFIs (as defined in the standard) meet the minimum requirements for public disclosure of qualitative information concerning their remuneration practices.

Board Oversight and Discretion

The Phoenix Health Fund Limited (“**PHF**”) Board is ultimately responsible for remuneration governance and has established the Remuneration & Nominations Committee which oversees PHF’s remuneration settings.

The Remuneration & Nominations Committee:

- ordinarily meets a minimum of twice per year.
- comprises all Non-executive Directors (NEDs).
- operates in accordance with its Charter, which is reviewed at least every two years.
- seeks to ensure that PHF’s remuneration frameworks continue to support PHF’s overall risk management framework (RMF) and
- reviews the Remuneration Policy on at least an annual basis, and more frequently as required to respond to any changes in regulatory, business and legislative conditions.

The Remuneration & Nominations Committee will consult the Board Risk Committee and Chief Risk Officer to enable risk outcomes to be appropriately reflected in remuneration outcomes for persons in specified roles where there is any proposal to introduce variable remuneration. These proposals remain subject to final approval by the Board.

For the purposes of CPS 511, PHF includes the roles of Chief Executive Officer and Chief Financial Officer.

Alignment with Strategy, Sustainable Performance and Risk

PHF’s Remuneration Policy seeks to address financial risks by:

- not promoting risk-taking that exceeds financial risk tolerance limits or threatens PHF’s ability to maintain an adequate capital base,
- addressing non-financial risks through mitigating key operational, compliance, conduct and reputational risks which could occur where remuneration outcomes do not incentivise appropriate behaviours, and
- to address Conflicts of Interest by maintaining the integrity and impartiality of decision-making processes.

PHF's Remuneration Framework specifically addresses the requirements of paragraph 74 of CPS 511 in the following manner:

Requirement	PHF's Remuneration Framework:
Aligns with the entity's business plan, strategic objectives and risk management framework.	<ul style="list-style-type: none"> • Is subject to review by the Remuneration & Nominations Committee and Board. • Is subject to review against the requirements of CPS 511 at least annually. The results of this review are tabled to the Remuneration & Nominations Committee.
Promotes effective management of both financial and non-financial risks, sustainable performance and the entity's long-term soundness.	<ul style="list-style-type: none"> • Does not contain a standing arrangement in relation to variable remuneration (fixed remuneration approach). • Precludes payment of performance-based incentives to risk and financial control personnel.
Supports the prevention and mitigation of conduct risk.	<ul style="list-style-type: none"> • Does not contain a standing arrangement in relation to variable remuneration (fixed remuneration approach).

Remuneration Structure

PHF's remuneration structure does not offer equity-related benefits and does not include variable remuneration components, however these may be considered by the Board from time to time.

Remuneration for all employees (including the CEO and senior managers) is limited to a base salary and statutory entitlements (such as superannuation, leave loadings etc.) and may include discounted health insurance.