

CPS 511

Remuneration

Disclosure

2025

Section 1: Qualitative Disclosures

1. Basis of disclosure

This document presents the 2025 financial year (2025) remuneration disclosures of Medibank Group, as required by the Australian Prudential Regulation Authority (APRA) for private health insurers.

The disclosures contained in this document are based on information that is consistent with information provided to Medibank's external auditor. However, the information provided is for regulatory disclosure purposes and may not be comparable to other information disclosed by Medibank. Additional information on Medibank's remuneration framework is included in Medibank's 2025 Annual Report.

2. Remuneration framework governance and oversight

Medibank has a robust governance framework in place to ensure that our remuneration and performance practices are fair, reasonable and aligned with the requirements outlined in our risk management framework. Our governance framework also considers regulatory compliance, customer outcomes, community expectations and the delivery of sustainable shareholder value.

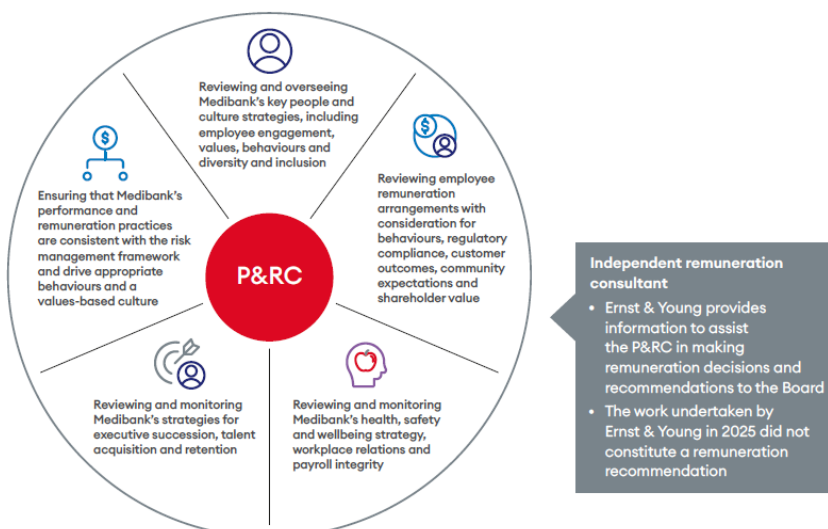
The Medibank Board is ultimately responsible for approving and actively overseeing, Medibank's remuneration arrangements and their effective application. The Board is assisted in the execution of its responsibilities by the People and Remuneration Committee (P&RC) which is responsible for overseeing the design, operation and monitoring of Medibank's remuneration policy and practices and people and culture strategies. The P&RC is responsible for ensuring the effectiveness, integrity and compliance of people and remuneration practices (including in respect of applicable APRA prudential standards the Financial Accountability Regime Act 2023 (FAR) and any other applicable legislation or regulatory requirements in force from time to time).

As at 30 June 2025, the P&RC consisted of four members, all of whom are non-executive directors. The P&RC met 5 times during the 2025 financial year.

The People & Remuneration Committee Charter sets out the roles, responsibilities and terms of operation of the P&RC. This includes providing the P&RC with access to:

- Free and unfettered access to other Board committees;
- Free and unfettered access to Risk and Financial Control personnel and other relevant parties (external and internal); and
- The power, when choosing to engage third-party experts, to do so in a manner that ensures the engagement (including any advice received) is independent.

The diagram below outlines the role of the P&RC in assisting and advising the Board on people and culture policies and practices, including remuneration.



On behalf of the Board, the P&RC oversees remuneration policies by:

- ensuring Medibank maintains a documented remuneration policy outlining the remuneration objectives and structure of remuneration arrangements, including but not limited to, performance based components of remuneration;
- working with the Board, other committees (including the Risk Management Committee) and management to ensure remuneration policies are consistent with Medibank's risk management framework (including the management of both financial and non-financial risk) and support prudential risk taking and Medibank's long term financial soundness;
- conducting regular reviews of Medibank's remuneration policy (including the management of both financial and non-financial risk), to ensure it supports prudential risk taking and Medibank's long term financial soundness.

Throughout the year, the P&RC obtained comprehensive reporting and consulted with the Risk Management Committee and Group Lead – Chief Risk & Compliance Officer to determine all remuneration related decisions, the application of discretion and recommendations to the Board independent of management. During the year, the P&RC received information from Ernst & Young to assist in making remuneration recommendations to the Board. The work undertaken by Ernst & Young in 2025 did not constitute a remuneration recommendation.

2.1 Third-party service providers

As referenced in the Remuneration Policy, third party arrangements, including compensation, are governed by Medibank's Procurement Policy. This policy is designed to ensure that best value for money is achieved and that risks are appropriately managed for our customers, employees and shareholders.

The compensation arrangements of third-party service providers which have the potential to cause a material conflict with this policy have been identified and reviewed, and controls have been established to mitigate those potential conflicts. These compensation arrangements and mitigating controls are reviewed annually to ensure the controls are operating effectively.

Having considered the objectives of CPS 511, Medibank has identified relevant third parties as those who act as intermediaries for Medibank products, where variable compensation arrangements are in place, subject to meeting a materiality threshold.

Third party providers identified include aggregators, Corporate Brokers, Agents of Overseas Student Health Cover (OSHC) and Agents of Visitor Health Care Cover (OVHC). Controls are in place to manage the risks associated with miss-selling including having commission structures that include deferred components and opportunity for clawback, as well as regular performance reviews covering metrics such as joins, lapses and NPS.

2.2 Medibank remuneration policies

2.2.1 Remuneration policy

The Remuneration Framework is primarily enabled by Medibank's Remuneration Policy which outlines the design and effective implementation of remuneration practices across the organisation. Medibank's remuneration practices ensure individuals are compensated fairly, motivated to achieve business goals consistent with our risk management framework and promote sustainable decision making that benefits customers, the community and shareholders. The Policy also addresses relevant regulatory requirements including the Australian Prudential Regulation Authority's ("APRA") Governance Standard (CPS 510) and Prudential Standard (CPS 511), and the Financial Accountability Regime (FAR).

Scope

Medibank's remuneration policy applies to all non-executive directors, executives and employees of the Medibank Group ("Group") and individuals retained by the Group under contract, including:

- Non-executive directors of the Group ("Non-executive Directors").
- The executive leadership team ("ELT"), which includes the Chief Executive Officer ("CEO") and Group Leads who report to the CEO;
- The Hub Lead Group ("HLG"), which includes Hub Leads who report to Group Leads in the Group;

- Senior Managers (SM) for CPS 511 purposes which includes Group Leads who report to the CEO and selected Hub Leads as identified in Medibank's Fit and Proper Policy;
- Accountable Persons ("AP") for FAR purposes, which includes a person identified by Medibank as an Accountable Person;
- "Risk and Financial Control Personnel", which includes executives or employees whose primary role is risk management, compliance, internal audit, financial control or actuarial control;
- Broad based employees covered by an Enterprise Agreement ("EA employees"); and
- Broad based employees not covered by an Enterprise Agreement ("Non-EA employees").

Specified roles

In addition to the remuneration practices that apply to all employees, APRA's remuneration standard CPS 511 requires the Board to apply specific remuneration practices, such as variable remuneration deferral, to Specified Roles. Below are the Specified Roles defined by APRA and their application for Medibank.

Where the CEO or a Senior Manager is also a material risk-taker or risk and financial personnel, they have been reported as part of the Senior Manager cohort to avoid duplication.

Specified roles	Application
Executive Director	Chief Executive Officer of Medibank
Senior Managers	Executive leadership team members other than the CEO, Hub Lead – Internal Audit and Hub Lead – Actuarial Services & Chief Actuary are considered Senior Managers for the purposes of CPS 511.
Risk and Financial Control personnel	Senior roles leading Actuary, Group Financial Control and Internal Audit functions and all roles within their reporting structure are considered Risk and Financial Control personnel.
Material Risk-Taker	All strategic risks (as stated in Medibank's Strategic Risk Appetite Statement) are owned by the roles specified under either Executive Director or Senior Manager. Medibank classifies all Material Risk Takers as Senior Managers under the APRA definition.
Highly Paid Material Risk-Taker	No roles have been classified under this category in addition to those included under the Senior Manager definition.

2.2.2 Performance evaluation

At the outset of each performance year, the Board determines the measures against which ELT members will be assessed. The measures are a combination of Medibank and role-specific performance measures that are aligned to the achievement of Medibank's customer and financial milestones set out in the annual report. Aligned with Medibank's Group-wide performance framework 'Impact Bigger', the role-specific measures for Group Leads are known as 'Impact Goals'. Impact Goals are designed to be ambitious, aspirational and shift expectations from delivering at a base level against core job requirements, to driving strong and impactful performance. The Impact Goals adopted by each Group Lead then form the basis for the Impact Goals adopted by their leadership team members and respective teams, to ensure all employees across the Group are working towards a shared and consistent strategy.

At the completion of the performance year, all employees, including Group Leads, are individually assessed against the risk, compliance and behaviour gateway which is outlined in section 4.2.1 of this report. Employees are then attributed an individual performance outcome against a 5-point rating scale (with a minimum rating of 3 required to receive a short-term incentive (STI) award) that assesses performance and behaviours against business outcomes and achievement of role-specific performance measures. The individual performance ratings are then combined with performance against Company measures to determine STI outcomes. Additional detail on STI performance measures is included in section 4.2.3 of this report.

With respect to fixed remuneration adjustments, consideration is given to role-specific performance, experience, role complexity and Medibank's market comparator group.

The CEO provides their performance assessment of each Group Lead to the Board for consideration. The Chair, in consultation with the Board, assesses the performance, behaviour and conduct of the CEO. The Board has ultimate discretion over final individual performance outcomes for all Senior Managers to ensure alignment with Medibank's performance, customer outcomes, community and shareholder expectations.

2.2.3 Malus and clawback

During 2025 the Board updated and strengthened Medibank's Malus and Clawback Policy to ensure it remains fit for purpose. The policy provides the Board with discretion to reduce, cancel, or clawback the variable remuneration of performance-based awards made to employees in certain circumstances and subject to applicable laws, including the following:

- **Fraud or misconduct:** any fraudulent activity or misconduct that benefits an individual financially or otherwise, or that results in significant adverse outcomes.
- **Risk management failures:** significant failures in managing financial or non-financial risks.
- **Accountability and compliance breaches:** significant failures in accountability, fitness, propriety, or compliance obligations, including failure to comply with obligations under FAR.
- **Errors and misstatements:** major errors or misstatements affecting variable remuneration outcomes.
- **Significant adverse outcomes:** actions for which the recipient is accountable leading to major negative consequences for customers, beneficiaries, counterparties or the community.
- Any other event as determined by the Board.

The Malus and Clawback Policy provides that if any of these events occur, the Board may, in its absolute discretion, determine if malus and/or clawback will apply. Malus provisions allow Medibank to reduce or cancel variable remuneration before it has been paid (or share awards vested) or make it subject to additional or amended conditions, while clawback provisions allow Medibank to, subject to applicable laws, recover some or all of the variable remuneration after it has been paid (or share awards vested).

2.2.4 Termination provisions in incentive plans

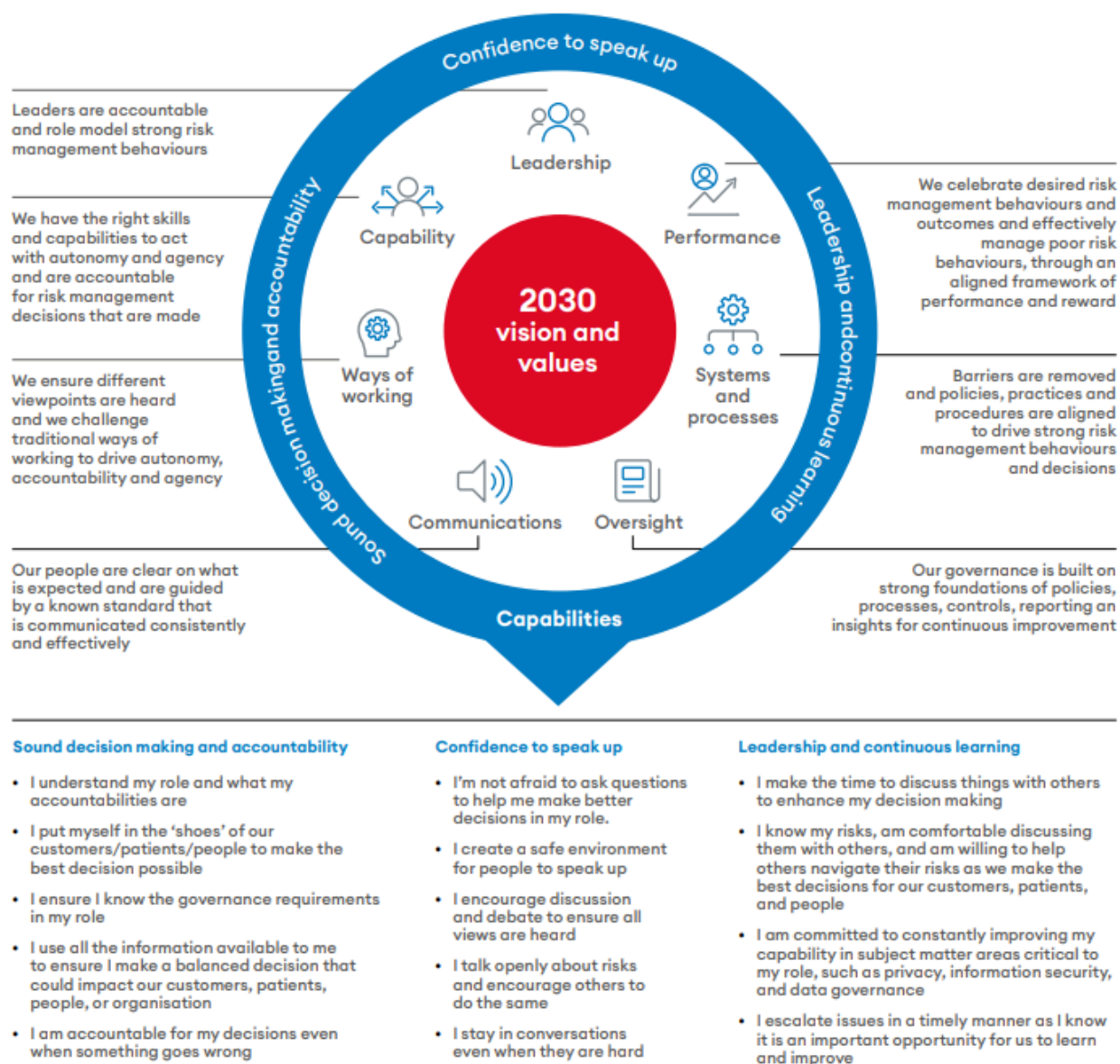
If the CEO or a Senior Manager is assessed by the Board as a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the cash STI award in respect of the performance year in which they leave will be paid on a pro rata basis at the end of the STI performance period. The deferred component of the STI award will be paid in cash (rather than performance rights) on a pro rata basis with payment deferred on the same terms outlined in the STI plan rules. Any previously deferred STI remains restricted until the applicable exercise date, unless determined otherwise by the Board. Performance rights issued as LTI are retained on a pro rata basis by a 'good leaver'. Retained performance rights remain unvested and subject to the same vesting conditions that will be assessed at the end of the performance period. Further details of the termination provisions that relate to the STI and LTI plans are detailed in section 4 of this report.

2.3 Risk and remuneration

A key focus for Medibank's Board and the P&RC is ensuring our remuneration policies and practices are consistent with our risk management framework, aligned with prudent risk taking and support the effective management of financial and non-financial risks.

2.3.1 Risk culture

An engaged culture is contingent on alignment between purpose, values, behaviours and strategic direction. With a focus on ensuring we do the right thing for our people, customers and community, Medibank's purpose and values provide guidance for the behaviours we expect of our employees. Our Risk Culture Framework, outlined below, articulates the key elements that influence and shape our risk culture in terms of behaviours and practices. Our current suite of measurements (behavioural metrics and survey responses) fully aligns with the framework elements and risk behaviours to ensure they provide the right insights and conditions for positive action.



Our Risk Culture Framework builds on Medibank's Code of Conduct which sets out the way we work at Medibank via the establishment of standards of behaviour and conduct expected from all employees. The Code not only emphasises the importance of compliance with legal obligations, it also clearly outlines our responsibility toward our employees, our customers, and the wider community. In adhering to these principles, we strive to create a culture that goes beyond mere compliance, to one that fosters a genuine commitment to ethical decision-making and responsible practices. The capabilities and behaviours that support our risk culture include:

- **Sound decision making and accountability:** employees understand their role and responsibilities and make well-informed decisions that consider the impact on our customers, patients, people and the organisation. They take ownership of their actions and consistently uphold governance standards, ensuring transparency and integrity in all aspects of their work.
- **Confidence to speak up:** risk issues are openly communicated and debated across the organisation, supported by an environment where people feel safe to ask questions and speak up.
- **Leadership and continuous learning:** risks are discussed with others to make the best decisions for our customers, patients and people. Employees consistently improve their skills, escalate issues promptly, and use data and feedback for ongoing improvement.

The Board, CEO and the Executive Leadership Team continue to emphasise the importance of the capabilities and behaviours referred to above by setting a strong and consistent tone from the top.

2.3.2 Alignment of remuneration with prudent risk taking

We believe that the effective alignment of remuneration with the risk appetite set by the Board is critical to our remuneration strategy and framework. Under Medibank's Group-wide performance framework 'I Perform Better', at the end of each financial year all employees are assessed against their personal scorecard, which is a combination of financial and non-financial measures, including performance against their risk, compliance and behaviour obligations. Through the performance assessment process, both positive and negative risk behaviours, compliance and behaviour outcomes are considered as part of a holistic performance assessment. Employees are then attributed an outcome against a five-point rating scale (with a minimum rating of three required to receive a short-term incentive (STI) award) that focuses on behaviours, business outcomes and achievement of role-specific performance measures. This then informs remuneration and performance-based incentive outcomes for the period.

The management of financial and non-financial risks by senior executives is jointly reviewed by the Risk Management Committee (RMC) and People and Remuneration Committee (P&RC). As part of this review the RMC and P&RC consider the effective operation of divisional risk committees, incident identification, audit findings, remediation actions, health and safety, and feedback on risk culture from employees. In addition, the Group Lead – Chief Risk & Compliance Officer and Group Lead – People, Spaces & Sustainability are specifically tasked with notifying the Board of any relevant risk and compliance outcomes and/or conduct which may impact performance and remuneration outcomes for the CEO, Senior Managers, and other senior executives.

Further, as outlined throughout this report, Medibank's executive reward framework includes long-term deferral across both our STI Plan and long-term incentive (LTI) Plan to ensure risk outcomes are considered over extended periods.

2.3.3 Consequence management

A well understood and consistently applied consequence management process is a key part of our risk culture and ensures risk, compliance and behaviour outcomes are aligned with remuneration outcomes.

Medibank's Consequence Management policy sets out the types of incidents to which the consequence management process will be applied and defines guidelines to ensure that imposed consequences are fair, reasonable, and proportionate.

Financial consequences are considered as part of the annual performance and remuneration review cycle. A final written warning automatically results in the employee being given a maximum of 'needs improvement' performance rating for the relevant performance period, meaning the individual is ineligible for any performance-based reward outcome, or fixed remuneration increase. Medibank's STI plan rules also clearly articulate that failure to meet the risk, compliance and behaviour gateway in any given performance period will lead to ineligibility for a STI award for the performance period.

For employees without a variable remuneration component, consequences under the consequence management framework may include an employee attending further training or counselling, a formal written warning being applied, or in certain circumstances, termination of employment.

The determination of variable remuneration takes into consideration financial and non-financial risks that could materially impact Medibank's risk profile, sustainable performance and long-term soundness.

The Board retains the right to adjust variable remuneration outcomes (potentially to nil) through:

- Compliance and behaviour assessment gateway applied to all employees, including Senior Managers, who are eligible for a short-term incentive (STI) and requires all employees to:
 - Complete all mandatory compliance training which includes privacy, cyber-security, health and safety, bullying and harassment, bribery and corruption and meeting our legal, ethical and governance requirements;
 - Ensure that the risks in respect of their position are well managed;
 - Adhere to Medibank's Code of Conduct; and
 - Adhere to Medibank policies and procedures.
- Vesting schedules, which take into account the possible range of risk and performance outcomes through deferral on the STI and long-term incentive (LTI), as outlined in further details in section 4.
- Consequence management, including the malus and clawback policy, which allows for the downward adjustment (to nil) of remuneration outcomes, based on the severity of risk and conduct outcomes.

In 2025, 11 employees were issued with final written warnings following a breach of Medibank's Code of Conduct, or another Medibank Group policy. In all cases, each employee received a performance rating of 'unsatisfactory' and was ineligible for any applicable performance-based incentive or fixed remuneration increase. A further eight individuals in 2025 had their employment terminated following an incident of misconduct. Further details on consequence management can be found in our ESG databook 2025.

3. Medibank's remuneration strategy

At Medibank, we believe that remuneration has a key influence on behaviour and is valuable in reinforcing our culture. Our people are guided by our purpose and values, which are anchored to the core pillars of our culture – health & wellbeing, customers & patients, and autonomy, accountability & agency.

Our remuneration strategy has been developed to reward our people for responsibly executing Medibank's strategy, role-modelling behaviours that strengthen our purpose and values-based culture, and achieving business objectives that increase value for our customers and shareholders. Supporting this strategy, our remuneration framework is designed to link reward to business outcomes, individual performance and behaviour, support Medibank's long-term financial success and risk management framework, and comply with APRA's CPS 511 and the Financial Accountability Regime (FAR).

The diagram below illustrates the relationship between Medibank's remuneration strategy, reward framework and the timeline of when 2025 remuneration is delivered.

Medibank's remuneration strategy

Focus employees on responsibly executing Group strategy to increase customer and shareholder value with behaviours aligned to Medibank's values and purpose

 <p>Attract and retain key talent through competitive and fair fixed remuneration</p>	 <p>Incentivise high performance through variable, at-risk payments</p>	 <p>Reward employees for the achievement of business outcomes aligned with Medibank's culture</p>	 <p>Align the interests of executives with increasing long-term customer and shareholder value</p>
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Medibank's total target reward framework

Total fixed remuneration (TFR)	<ul style="list-style-type: none">• Determined with reference to capability, experience, the complexity of the role, as well as median pay levels of Medibank's comparator group• Paid on a fortnightly basis in base salary and superannuation	
	Performance measures	Delivery
Short-term incentive (STI)	<p>For an STI to be awarded:</p> <ul style="list-style-type: none">• Individuals must pass a risk, compliance, and behaviour gateway; and• Medibank must achieve a baseline Group operating profit target <p>Performance measures:</p> <ul style="list-style-type: none">• Group operating profit• Health insurance revenue growth• Customer satisfaction• Role-specific metrics	<p>CEO and Senior Managers</p> <ul style="list-style-type: none">• 60% cash• 40% performance rights deferred for up to 5 years for the CEO and up to 4 years for Senior Managers subject to a one year service condition <p>Other participants: 100% cash</p>
Long-term incentive (LTI)	<ul style="list-style-type: none">• Earnings per share compound annual growth rate• Relative total shareholder return• Growth of Medibank's private health insurance market share• Brand sentiment – Customer Net Promoter Score (cNPS)	<p>Performance rights with a 3-year performance period and deferral after vesting of:</p> <ul style="list-style-type: none">• 3 years for the CEO• 2 years for Senior Managers

Supported by Medibank's Consequence Management Policy and the Malus & Clawback policy. The P&RC and Risk Committee may apply discretion to ensure appropriate alignment of remuneration outcomes to Medibank's risk framework and Code of Conduct.

CEO – 2025 remuneration timeline

		FY25	FY26	FY27	FY28	FY29	FY30	FY31
TFR	Base salary + super							
	Cash		● 60%					
STI	Deferred		●	● 8%	● 8%	● 8%	● 8%	● 8%
	Relative total shareholder return (30%)	●		●				
LTI	EPS CAGR (30%)	●		●				
	PHI market share growth (20%)	●		●	● 33%	● 33%	● 34%	
	Customer NPS (20%)	●		●				

Senior Managers – 2025 remuneration timeline

		FY25	FY26	FY27	FY28	FY29	FY30
TFR	Base salary + super						
	Cash		● 60%				
STI	Deferred		●	● 10%	● 10%	● 10%	● 10%
	Relative total shareholder return (30%)	●		●			
LTI	EPS CAGR (30%)	●		●			
	PHI market share growth (20%)	●		●	● 50%	● 50%	
	Customer NPS (20%)	●		●			

● date earned/vested
 ● date granted
 ● eligible for payment or exercise

4. Remuneration components

Target remuneration of the CEO and Senior Managers is designed to reward sustained business performance with behaviours aligned with Medibank's values and purpose, that benefits both customers and shareholders. The Board aims to find a balance between:

- Fixed and at-risk remuneration;
- Short-term and long-term remuneration; and
- Remuneration delivered in cash and deferred equity

4.1 Total fixed remuneration

Total fixed remuneration (TFR) is the fixed portion of remuneration and includes base salary and employer superannuation contributions. Fixed remuneration is determined with reference to the employee's capabilities, experience, the complexity of the role, as well as median pay levels for similar roles.

4.2 Short-term incentive (STI)

STI is an at-risk element of remuneration, which is designed to reward employees for the creation of customer and shareholder value during the financial year. Participants must pass two separate gateways to participate in the plan. Once both gateways are achieved, participants have the opportunity to earn a percentage of their fixed remuneration as an incentive, based on Group and individual performance.

4.2.1 STI gateways

For an STI award to be made to a participant, the following gateways must be achieved:

Risk, compliance and behaviour gateway

Individually assessed, the risk, compliance and behaviour gateway requires participants to:

- Adhere to Medibank's Code of Conduct which covers standards of behaviour and conduct which includes anti-harassment, anti-discrimination and anti-bribery and corruption obligations. Our Code of Conduct requires all employees to not only comply with our legal obligations, but also to act ethically and responsibly in relation to our customers, colleagues and the community;
- Complete all mandatory compliance training which includes privacy, cyber-security, health and safety, bullying and harassment, bribery and corruption and meeting our legal, ethical and governance requirements; and
- Ensure that the risks in respect of their position are well managed. Multiple factors are considered when assessing risk management (including environment, social and corporate governance and climate risks where relevant), which differ based on an executive's role. Common elements include the effective operation of divisional risk committees, incident identification, audit findings, remediation actions, health and safety, and feedback on risk culture from employees.

For the CEO and other ELT members, assessment of the risk, compliance and behaviour gateway is also subject to feedback provided by the Group Lead – Chief Risk & Compliance Officer and Group Lead – People, Spaces & Sustainability.

Financial gateway

Assessed at the Group level, Medibank must achieve a baseline Group operating profit target for an STI to be awarded.

4.2.2 STI performance measurement

The Board determines challenging levels of performance for each Medibank and role-specific STI performance measure. When setting performance expectations, the Board considers numerous factors, including Medibank's strategic objectives, prior year performance, the external environment, customer outcomes and shareholder expectations. The Board also ensures that performance levels are set for the current year in the context of achieving longer term customer and financial strategic goals.

At the completion of the performance year, an assessment is first made on the achievement of the STI gateways. If achieved, STI outcomes are determined based on company and individual performance. Performance against

Group's measures determines the company component of the STI while the individual rating from the annual performance assessment process determines the individual component. There is a threshold, target and stretch level of performance for each company measure as set by the Board and employees need to achieve a minimum rating of 3 – Achieving for an STI award to be paid.

4.2.3 Key features of the STI plan

Over what period is performance assessed?	The STI performance period is the financial year 1 July to 30 June.
How are STI payments delivered?	60% of STI awarded to the CEO and Senior Managers is paid as cash, with the remaining 40% provided in the form of deferred performance rights that are subject to a one year service condition. The STI awarded is paid in cash for other STI participants.
When are STI payments made?	The cash component of STI is paid following the release of audited financial results, with performance rights for the deferred STI component granted shortly thereafter.
What is the deferral period for the deferred STI component?	<p>Performance rights are deferred for:</p> <ul style="list-style-type: none"> up to five years for the CEO, with 20% of the deferred amount released each year following the conclusion of the service period; and up to four years for Senior Managers, with 25% of the deferred amount released each year following the conclusion of the service period. <p>The exercise of each tranche is subject to the assessment by the Board of the application of Medibank's Malus and Clawback policy to the relevant tranche and after the relevant annual results are announced to the ASX.</p>
What method is used to determine the number of performance rights granted to each participant as part of the deferred STI?	Performance rights under the STI plan are granted at face value. The deferred STI value for each participant is divided by the volume weighted average share price (VWAP) of Medibank shares over the 10 trading days up to and including the payment date of the cash STI to determine the number of units granted.
Are deferred STI performance rights entitled to receive a dividend payment?	Deferred STI performance rights do not attract dividends during the deferral period. To align participant outcomes with shareholders, on exercise of these performance rights additional Medibank shares are granted to ensure each participant receives a benefit equivalent to any dividends paid during the deferral period on the rights being exercised.
What gateways apply to the STI plan?	For an STI award to be made to a participant, both the risk, compliance and behaviour gateway, and the financial gateway must be achieved.
What are the performance measures under the STI plan?	<p>Performance measures under the STI plan are determined by the Board at the commencement of each performance period. For 2025, the performance measures were:</p> <ul style="list-style-type: none"> Group operating profit (excluding investment income) Health Insurance premium revenue growth Customer satisfaction Role-specific metrics
Does Medibank have a malus and clawback policy that applies to the STI plan?	Medibank has a Malus and Clawback Policy that provides discretion to the Board to reduce, cancel, or recover (clawback) any award made under the STI plan to employees in certain circumstances subject to applicable laws. Further detail on this policy is outlined in section 2.2.3.
What happens to STI entitlements if a participant leaves Medibank?	<p>If a participant is a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy, or with Board approval), pro rata payment of STI applies.</p> <p>Section 2.2.4 provides additional information on the treatment of STI for people deemed as 'good leavers' by the Board.</p> <p>Other than in the case of dismissal, a Senior Manager who ceases employment after meeting the service period will retain the deferred STI performance rights which will remain subject to malus and clawback and will be released as per the deferral schedule.</p>
In what circumstances are STI entitlements forfeited?	In the event a participant is not considered a 'good leaver' (meaning they cease employment for any reason other than death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the participant will forfeit any payment under the STI plan, including any unvested deferred STI grants, unless otherwise determined by the Board.

4.3 Long-term incentive (LTI)

LTI is an at-risk element of remuneration designed to reward executives for delivering sustainable business performance over the long term. Given the nature of the private health insurance industry and the fact that it is highly regulated, the Board considers it appropriate to measure long term performance over a three-year period, with deferral conditions applying to the vested awards of Senior Managers. A three-year performance period with the additional deferral conditions if applicable, strikes a balance between providing a reasonable period to align reward with shareholder return and the LTI acting as a vehicle for executive motivation and retention.

Each year executives are eligible to receive an LTI which is calculated as a percentage of their fixed remuneration. This incentive is subject to performance hurdles that will be tested at the end of the three-year performance period. Based on performance against these hurdles, a percentage of the incentive will be retained by the executive with the remainder being forfeited. Vested performance rights are subject to a deferral period of up to three years for the CEO and up to 2 years for Senior Managers.

4.3.1 Key features of the LTI plan

What is the aim of the LTI plan?	<p>The Medibank LTI plan is designed to:</p> <ul style="list-style-type: none"> Align the interests of executives more closely with the interests of customers and shareholders, by providing an opportunity for those executives to receive an equity interest in Medibank through the granting of performance rights. Assist in the motivation, retention and reward of executives over the performance and deferral periods.
What are performance rights?	<p>Performance rights issued to executives under the LTI plan are conditional rights for the participant to receive fully paid ordinary shares in Medibank. Each performance right entitles the executive to subscribe for one ordinary share if the performance hurdles are met at the conclusion of the performance period. No amount is payable by the participant upon the grant or exercise of the performance rights once they have vested.</p>
What method is used to determine the number of performance rights granted to each participant?	<p>Performance rights under the LTI plan are granted at face value. Each participant receives a percentage of their fixed remuneration in LTI. This amount is then divided by the face value of Medibank shares.</p> <p>For the 2025 LTI plan, the number of performance rights granted to each participant was determined using the volume weighted average price of Medibank shares on the ASX during the 10 trading days up to and including, 30 June 2024. This average price was \$3.73.</p>
What is the performance period for 2025 LTI plan?	<p>The performance period for the 2025 LTI plan is three financial years which commenced on 1 July 2024.</p>
When is the LTI delivered?	<p>Following the three-year performance period any performance rights that meet the performance hurdles vest and are then subject to a deferral period of up to three years for the CEO and up to 2 years for Senior Managers.</p> <p>Vested performance rights for participants outside of the Senior Manager group convert into shares as soon as practicable after vesting is approved by the Board.</p>
What is the deferral period for LTI?	<p>For the CEO and Senior Managers, vested performance rights are deferred for:</p> <ul style="list-style-type: none"> Up to three years for the CEO, with one third being exercised each year starting at the beginning of the year following the end of the performance period. Up to two years for Senior Managers, with half being exercised at the beginning of the year following the end of the performance period, and the remaining amount being exercised in the following year. <p>The exercise of each tranche is subject to the assessment by the Board of the application of Medibank's Malus and Clawback policy to the relevant tranche and after the relevant annual results are announced to the ASX.</p>
What are the performance hurdles under the 2025 LTI plan?	<p>Performance rights issued under the 2025 LTI plan are subject to four separate performance hurdles, providing for an appropriate balance of financial and non-financial performance:</p> <ul style="list-style-type: none"> 30% of the performance rights are subject to a performance hurdle based on Medibank's earnings per share compound annual growth rate (EPS CAGR) over the performance period. The starting point for EPS will be calculated using Medibank's underlying profit as at 30 June 2024 and the performance period for the EPS performance hurdle will run for 3 years from 1 July 2024 through to 30 June 2027. 30% of the performance rights are subject to a relative total shareholder return (TSR) performance hurdle, measured over the performance period. Medibank's relative TSR will be compared to a comparator group comprising companies with a market capitalisation positioned within the ASX 11-100 (excluding mining and energy companies).

	<ul style="list-style-type: none"> 20% of the performance rights are subject to a performance hurdle based on the growth of Medibank's private health insurance market share (as reported by APRA) over the performance period. 20% of the performance rights are subject to a performance hurdle based on brand sentiment, measured as the change in Medibank's customer Net Promotor Score over the performance period. <p>These performance hurdles were chosen by the Board as they are aligned with the interests of our customers and shareholders and represent well understood and transparent mechanisms to measure performance and provide a strong link between executive reward, customer outcomes, and shareholder wealth creation.</p>
When do the performance rights vest?	Performance hurdles are assessed as soon as practicable after the completion of the relevant performance period. The number of performance rights that vest (if any) will be relative to the achievement against the performance hurdles.
Are the performance hurdles re-tested?	No. Performance hurdles are only tested once at the end of the performance period. Any performance rights that remain unvested at the end of the performance period are immediately forfeited.
Are LTI performance rights entitled to receive a dividend payment?	LTI performance rights do not attract a dividend during the performance period, as they are still subject to performance hurdles that will determine the number of rights that convert to ordinary Medibank shares. For the CEO and Senior Managers, vested performance rights do not attract dividends during the deferral period. However, on exercise of the vested performance rights, additional Medibank shares are granted to ensure each participant receives a benefit equivalent to any dividends paid during the deferral period on the rights being exercised.
Does Medibank have a malus and clawback policy that applies to the LTI plan?	Medibank has a Malus and Clawback Policy that provides discretion to the Board to reduce, cancel, or recover (clawback) any award made under the LTI Plan to an employee in certain circumstances subject to applicable laws. Further detail on this policy is outlined in section 2.2.3.
What happens to LTI entitlements if a participant leaves Medibank?	If a participant is a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy, or with Board approval), a portion of the performance rights held (granted, but not vested) by that participant on cessation of employment will be forfeited on a pro rata basis according to a formula which takes into account the length of time the participant has held the performance rights relative to the performance period for the grant. The retained performance rights will remain unvested and will be tested at the end of the performance period against the existing performance hurdles. Vested performance rights for the CEO and Senior Managers remain subject to deferral conditions.
In what circumstances are LTI entitlements forfeited?	LTI entitlements are forfeited if performance hurdles are not met. In the event a participant is not considered a 'good leaver' (meaning they cease employment for any reason other than death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the performance rights held (granted, but not vested) by that participant on cessation of employment will be automatically forfeited.

4.4 Participation of Specified Roles in incentives

Specified roles	Incentive plans	Target remuneration mix	Eligibility for variable remuneration
CEO	STI and LTI with deferral conditions	<ul style="list-style-type: none"> Fixed: 26.7% Variable: 73.3% 	Eligible for STI and LTI
Senior Managers	STI and LTI with deferral conditions	ELT members, excluding the CEO, have a remuneration mix at target of 42% fixed and 58% variable. Senior Managers outside of the ELT have a remuneration mix at target of 68% fixed and 32% variable.	100% eligible for STI and LTI
Risk and Financial Control Personnel	Employees in the cohort who meet the eligibility criteria, participate in Medibank's STI. Eligible Hub Leads also participate in the LTI.	Remuneration mix varies by level, with Hub Leads having a remuneration mix at target of 69% fixed and 31% variable, and employees at lower levels having a higher proportion of total remuneration at target in fixed pay.	100% eligible for STI 100% of Hub Leads in the cohort are eligible for LTI

Target and maximum incentive opportunity increases at higher job levels. For the CEO and other ELT members, variable remuneration constitutes a larger proportion of total remuneration at target. This structure ensures that a greater share of their pay is performance-based and at risk, in the event of underperformance. It also enables Medibank to apply malus and clawback when necessary.

4.5 Remuneration of risk and financial control personnel

Risk and Financial Control Personnel at Medibank includes Executives, or employees, whose primary role is risk management, compliance, internal audit, financial control or actuarial control.

One of the objectives of our remuneration framework is to encourage the sound management of financial and non-financial risk over the long-term, mitigate conflicts of interests and drive sustainable decision making in the interests of Medibank's stakeholders to support long term financial soundness. Considering the above, risk and financial control personnel who meet the eligibility criteria participate in STI and LTI, with the same conditions as other employees in the organisation.

The quantum, type and mix of remuneration received by employees is determined by both their role and impact on business outcomes. For Risk and Financial Control Personnel, the quantum, type and mix of remuneration is set to ensure their remuneration arrangements do not compromise the independence of these individuals and their authority in carrying out their functions.

Variable remuneration outcomes and remuneration settings for the cohort are recommended by the Chief Financial Officer, endorsed by the CEO and GL - Chief Risk and Compliance Officer, and approved by the Board.

STI outcomes for the cohort for 2025 can be seen in the table below:

Division	Number of 2025 STI participants	2025 target STI opportunity \$m	Calculated 2025 STI \$m	Actual STI as a percentage of target
Actuarial & investment services	20	0.4	0.4	106%
Financial control	44	0.5	0.6	108%
Internal audit	8	0.1	0.1	106%
Risk & compliance	16	0.4	0.3	84%
Total	88	1.4	1.4	101%

For employees in the cohort who participated in the 2023 LTI grant, the performance period ended on 30 June 2025. The Board determined it was appropriate to allow the LTI to vest in line with the terms of its grant, with a vesting outcome of 68.6%.

Section 2: Quantitative remuneration disclosures

Table 1: Remuneration outcomes for the financial year

Row	A\$m	CEO	Other Senior Managers	Highly paid material risk-takers ⁵	Other material risk - takers ⁵
Fixed Remuneration				-	-
1	Number of employees	1	11	-	-
2	Total Fixed Remuneration ¹	1.61	7.52	-	-
3	of which: cash based	1.61	7.52	-	-
4	of which: share-based awards	-	-	-	-
5	of which: other	-	-	-	-
6	Average % increase in total fixed remuneration (row 2) on previous financial year ²	4.1%	6.9%	-	-
		CEO	Other Senior Managers	Highly paid material risk-takers	Other material risk - takers
Variable Remuneration					
7	Number of employees eligible for variable remuneration	1	11	-	-
8	Number of employees that received variable remuneration	1	11	-	-
9	Total variable remuneration	2.73	4.79	-	-
10	of which: cash based ³	0.96	2.69	-	-
11	of which: share-based awards ⁴	1.77	2.10	-	-
12	of which: other	-	-	-	-
13	Total variable remuneration (row 9) that has been deferred	1.77	2.10	-	-
14	of which: cash based	-	-	-	-
15	of which: share-based awards	1.77	2.10	-	-
16	of which: other	-	-	-	-
17	Average percentage increase in total variable remuneration (row 9) on previous financial year	17.3%	-26.2%	-	-
18	Total remuneration (sum of rows 2 + 9)	4.34	12.31	-	-

¹ Fixed remuneration includes base salary and superannuation earned during the financial year.

² This represents the year on year variation in total value for employees in the cohort.

³ This represents the cash portion of the FY25 STI.

⁴ This represents equity awards that vested in the financial year which relate to the 2022 LTI. The value of vested awards is calculated using the closing share price on the vesting date.

⁵ No material risk takers were identified for FY25

Table 2: Special payments

Row	A\$m	CEO	Other Senior Managers	Highly paid material risk-takers	Other material risk-takers
1	Number of employees paid a guaranteed bonus	-	-	-	-
2	Total guaranteed bonuses \$	-	-	-	-
3	Number of employees paid a sign-on award	-	-	-	-
4	Total sign-on awards \$	-	-	-	-
5	Number of employees paid a severance payment	-	-	-	-
6	Total severance payments \$	-	-	-	-

Table 3: Deferred and adjusted variable remuneration

Row	A\$m	A Total amount of outstanding deferred variable remuneration post adjustments	B Total amount of variable remuneration not deferred post adjustments	C Total amount of downward adjustments to variable remuneration reported in columns A and B
1	Total CEO	-	-	-
2	of which: cash based	-	-	-
3	of which: share-based awards	-	-	-
4	of which: other	-	-	-
5	Other Senior Managers	-	-	-
6	of which: cash based	-	-	-
7	of which: share-based awards	-	-	-
8	of which: other	-	-	-
9	Highly-paid Material Risk Takers	-	-	-
10	of which: cash based	-	-	-
11	of which: share-based awards	-	-	-
12	of which: other	-	-	-
13	Total other Material Risk Takers	-	-	-
14	of which: cash based	-	-	-
15	of which: share-based awards	-	-	-
16	of which: other	-	-	-
17	Total (sum of rows 1 + 5 + 9 + 13)	-	-	-