

Remuneration Report

This Remuneration Report applies to Avant Mutual Group Limited and its subsidiaries (including Avant Insurance Limited and The Doctors' Health Fund Pty Limited) (Avant) for the financial year ended 30 June 2025 (FY25) and provides an overview of Avant's remuneration policy, framework, practices and governance.

This disclosure is made for the purpose of complying with the requirements set out in the Australian Prudential Regulatory Authority's Prudential Standard CPS 511: Remuneration.

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Letter from the Chair of the Group Remuneration Committee

On behalf of the Group Remuneration Committee and the Avant boards (Board), I am pleased to present Avant's second Remuneration Report, covering FY25. It is intended to explain how we think about remuneration at Avant, and I hope you find it helpful.

Avant is a member-owned organisation whose focus is on delivering high-quality, affordable products for doctors, as well as solutions for medical practices. It is important that our remuneration practices align with and enable this intent.

To do this effectively for our members, it is important that we can attract, motivate and retain high-performing talent within our Board and management teams, from the various industries we operate in.

We aim to achieve this through a variety of mechanisms, including our purpose-driven workplace culture and market competitive remuneration, while creating a diverse and inclusive environment to deliver an effective employee value proposition.

Strategic context and remuneration philosophy

Following rapid growth over recent years through both organic expansion and strategic acquisitions, we are now transitioning to deliver a unified approach to our members. This natural evolution aims to ensure we understand and cater to our members' needs throughout their professional and personal lifecycles.

Our remuneration framework continues to be anchored by the following core principles that support our strategic intent:

- align to our purpose, strategy, and member outcomes
- promote accountability and effective risk management
- attract and retain our talent
- simple, fair and equitable
- drive high-performance sustainably.

Remuneration framework stability

While our business strategy continues to evolve, the committee determined that no significant changes to our remuneration framework were required for FY25. This decision reflects the framework's effectiveness, as the current structure, refined in FY24 to meet revised prudential requirements, continues to effectively support our strategic objectives.

External benchmarking analysis conducted during the year confirmed we remain well positioned to attract and retain critical talent without requiring structural adjustments.

Supporting our people strategy

The remuneration framework plays a crucial role in enabling our refreshed people strategy, which aims to inspire our people by investing in people development. This strategy, built around four strategic pillars, recognises that our success depends on having a united, progressive and motivated workforce.

Our approach to total rewards extends beyond remuneration to encompass a purpose-driven culture where 84% of our people are proud to work for Avant, reflecting strong alignment with our purpose and values.

We aim to provide development opportunities through further investments in learning and development to build future-critical skills and support career progression. Our flexible work environment maintains our hybrid model requiring only 50% office attendance, supporting work-life balance and employee wellbeing.

We also continue building our diversity and inclusion capabilities, building on our 60% female workforce and 40% female senior leadership representation, while fostering an inclusive environment for all employees.

The Board is also mindful of its own role in working on improving its gender diversity with an active focus on improving its female representation of 25% to at least 33% over the next 12 months.



Duncan West

Chair of the Group Remuneration Committee

Performance and outcomes

FY25 delivered another strong year for our members, with disciplined financial management and effective risk management enabling continued stability in our product pricing and member value propositions. Our performance was assessed across both financial and non-financial measures, demonstrating good financial results that support long-term member value while maintaining competitive returns.

Member sentiment remained strong with continued focus on member satisfaction and engagement throughout our transformation journey. We achieved progress on strategic delivery through advancement of our transformation initiatives and implementation of key programs such as our new medical indemnity policy and billing administration system. Our risk management capabilities were enhanced with improved frameworks and processes, while employee engagement improved further from 67% to 69%.

Variable remuneration outcomes for our executive team reflected strong performance across these balanced measures.

Regulatory compliance and governance

We continue to operate under the enhanced regulatory framework introduced in 2024 and 2025, being APRA's Prudential Standard for remuneration (CPS 511) and the Financial Accountability Regime, respectively. These regulatory requirements apply for both Avant Insurance Limited and The Doctors' Health Fund Pty Limited.

In order to comply with the Financial Accountability Regime, which came into effect from 15 March 2025, we have introduced a deferred short-term incentive program for persons in specified roles that are not eligible to participate in the long-term incentive schemes.

Our Consequence Management Policy ensures appropriate accountability for conduct and risk outcomes across all levels of the organisation. This framework was applied to individuals in FY25. Malus and clawback provisions are embedded across all variable remuneration for

persons in specified roles, providing mechanisms to adjust rewards based on risk and conduct outcomes. No malus or clawback provisions were invoked in FY25. Enhanced governance processes provide robust oversight and independent review of all remuneration decisions and outcomes.

Managing director succession

In line with our standard approach towards succession planning, the committee with the support of the Avant boards undertook a program of work to select an appropriate successor for the role of managing director. This included a restatement of the success criteria for the role, comprehensive assessments of potential internal candidates and market scans. We are pleased to have selected an internal candidate, Adrian Urquhart, for the role to commence in Q2 FY26. I would like to thank Natasha Fenech for her very significant contribution to Avant and her leadership and support through the succession process.

Looking ahead to FY26

As we enter FY26, we anticipate more substantial evolution in our remuneration approach to fully align with our member-centric strategy and support the implementation of our refreshed people strategy. The committee will consider targeted enhancements to ensure our framework continues to drive the behaviours and outcomes that best serve our members.

I want to thank my fellow committee members for their diligent oversight during FY25, and our management team for their commitment to maintaining the highest standards of remuneration governance while executing our strategic transformation.



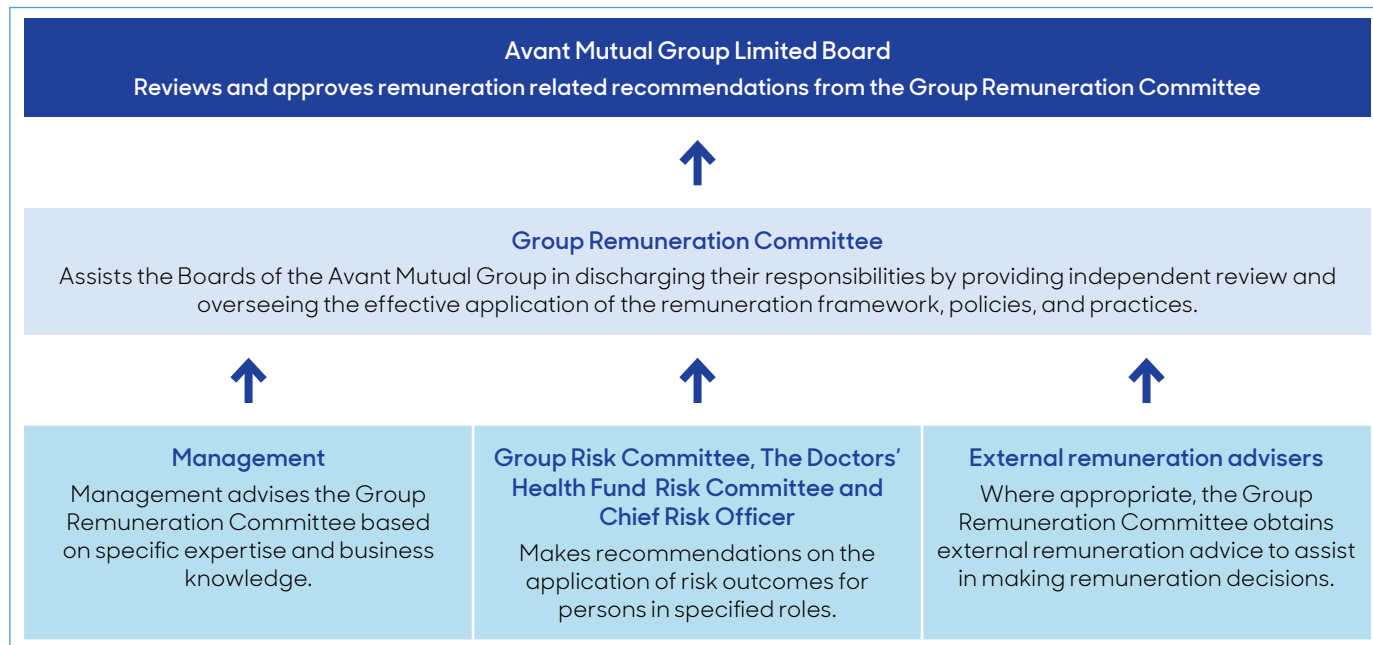
Duncan West

Chair of the Group Remuneration Committee

1. Remuneration at Avant

Avant's remuneration policy provides the framework for implementation, assessment and maintenance of Avant's remuneration strategy and arrangements. Our remuneration strategy is designed to attract, motivate and retain the right talent; define, recognise and drive high performance, motivate our people to use discretionary effort, and reinforce behaviours that align to our members' interests and Avant's risk appetite.

1.1 Remuneration governance framework



Governance of Avant's remuneration framework is primarily exercised through the boards and committees of Avant. The Group Remuneration Committee (**Remuneration Committee**) assists the Board by providing independent review and overseeing effective application of the remuneration framework, policies and practices. The Avant Group Risk Committee and The Doctors' Health Fund Risk Committee (**Risk Committees**) assists the Board, Avant Insurance Limited Board and The Doctors' Health Fund Pty Limited Board with the implementation and oversight of Avant's risk management framework.

The key responsibilities of the Remuneration Committee are the oversight and review of:

- executive talent management and succession planning applicable to the Managing Director, direct reports of the Managing Director and other critical roles
- the remuneration framework, remuneration strategies, incentive programs and remuneration policies
- remuneration practices to ensure they are aligned to the remuneration policies and procedures, have regard to performance and financial soundness, and satisfy governance, legal, prudential and regulatory requirements, including CPS 511 and the Financial Accountability Regime.

The Remuneration Committee reviews individual short-term incentive outcome recommendations for all executives and persons in specified roles. All measures and targets are reviewed annually to ensure alignment with Avant's business plan, strategic objectives and risk management framework.

The Remuneration Committee takes input from the Group Risk Committee, The Doctors' Health Fund Risk Committee, the Chief Risk Officer and the Managing Director on an overall assessment of risk management and the application of that assessment, and an individual risk and conduct assessment for executives and persons in specified roles.

From time to time, the Remuneration Committee obtains advice from external remuneration experts to provide it with guidance in making remuneration decisions. Any advice provided by external advisers is used as a guide and is not a substitute for consideration of all the issues by the Remuneration Committee and the Avant boards.

The Remuneration Committee met six times during FY25 and sought formal input from the Group and the Doctors' Health Fund Risk Committee twice during the year.

1.2 Alignment with Avant's business plan and strategic objectives

Each year, the Board sets key performance objectives for Avant executives and staff, aligned to key results areas. These objectives are incorporated into individual performance scorecards, including clear targets and metrics for each objective. As noted below, remuneration outcomes awarded reflect both what is delivered in terms of measurable performance and how it is delivered. This includes alignment with Avant's risk appetite, as reflected in its risk management framework, and conduct expectations and measures.

2. Avant remuneration framework

Outlined below is the FY25 remuneration framework for the Avant Group executive team and persons in specified roles. It consists of three core components being, the fixed annual remuneration, complemented with variable remuneration in the form of a short-term incentive plan and a long-term incentive plan. The mix of remuneration elements will vary depending on the employee’s role, level and current market practices.

Our purpose

Our vision is to provide confidence to doctors so they can keep serving our community. We aspire to achieve this by being the most trusted professional partner in supporting doctors throughout their lives and careers. Our member-first strategy puts doctors’ needs at the heart of everything we do at Avant.



Purpose

We are dedicated to our members, our work and each other



Courage

We challenge, improve and innovate



Passion

We love what we do, are tenacious and dedicated



Trust

We act with care and integrity, embracing inclusion and doing the right thing

Our business plan

Member focus	Sustainable growth	Strong leadership and culture
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Our remuneration principles support our business plan and strategic objectives

Aligned to our purpose, strategy and member outcomes	Promote accountability and effective risk management	Attract and retain our talent	Simple, fair and equitable	Drive high performance sustainably
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Our remuneration structure

Objective	Fixed annual remuneration (FAR)	Short-term incentive (STI)	Long-term incentive (LTI)
	Provide market competitive remuneration to recognise performance, skills, experience and capabilities.	Reward achievement of annual goals and recognises high performance.	Align our senior executives’ decision / actions to the overall company performance and long-term returns to our members.
Description	- Reviewed annually for internal relativity and appropriate market alignment to a comparator group of companies. - Consists of base salary and superannuation.	- Measured through a balanced scorecard based on the financial performance of the group and relevant business unit, as well as customer, people, risk and strategy measures over a 12-month period. - Maximum opportunity payable is up to 195% of the target STI. - Delivered in cash. - Subject to malus and clawback criteria. - For accountable persons under the Financial Accountability Regime not eligible to participate in the long-term incentive scheme, 40% is deferred for 4 years (unless the amount awarded is \$125,000 or less, in which case it is exempt from deferral).	- Subject to performance hurdles focused on strategic business drivers, sustainable performance, sound risk management and good conduct and behaviour outcomes. - Delivered in cash at the end of a four-year performance period. - Subject to malus and clawback criteria.

Aligning remuneration outcomes to our values and risk management policies

Behaviours that are not aligned to our values, code of conduct, consequence management policy, risk management framework and other internal risk management policies, lead to a reduction to variable remuneration outcomes.

We also consider remuneration associated with material conflicts that arise from potentially conflicted third-party arrangements, and have policies in place to mitigate conflicted remuneration risks.

Any downward adjustment is proportionate to the severity of the risk and conduct outcome and managed via our risk and conduct modifier and/or malus / clawback provisions.

3. Remuneration structure at Avant

3.1 Non-executive director compensation

The Avant Group Holdings Limited Board consists of twelve non-executive directors who are appointed by the Avant Mutual Group Ltd Board. It consists of directors elected by the Avant membership and directors appointed by the Board. Collectively, they provide commercial acumen and representation of members' interests. Non-executive directors are compensated by a flat fixed fee with no variable component. Directors appointed as a Chair of either a board or committee, are entitled to receive an additional fixed fee commensurate with the size and complexity of the role undertaken. Director fees in 2024-25, were consistent with the prior year.

3.2 Executive remuneration framework

3.2.1 Fixed remuneration

Fixed annual remuneration consists of base salary and superannuation. It provides market competitive remuneration to recognise performance, skills, experience, and capabilities. It is designed to ensure Avant is offering competitive remuneration to attract and retain employees to execute on its business plan and strategic objectives. It is reviewed annually for internal relativity and appropriate market alignment to a comparator group of financial services companies.

3.2.2 Linking Avant's short-term performance to incentive outcomes: short-term incentive

The short-term incentive (STI) plan is a major part of our reward philosophy for our people.

Overview	STI is the variable remuneration at-risk component designed to motivate and reward for performance and good risk behaviour during the year.		
Rationale	The STI plan is a major part of Avant’s reward philosophy for our people. The role of STI arrangements is to encourage discretionary effort, reward performance and recognise the shared accountability for performance at Avant. It assists in attracting and retaining the right employees to execute Avant’s business plan and strategic objectives.		
Determination	Individual STI outcomes reflect: • group or business line performance • individual contribution to these results • alignment to our values • behaviour assessed against Avant’s risk management framework and code of conduct.		
Individual performance	Individual outcomes are assessed against an individual balanced scorecard, which aims to balance member sentiment, financial performance, staff engagement, uplifts in risk maturity and implementation of strategic initiatives.		
Risk and conduct	A risk and conduct multiplier is used as a mechanism to support Avant’s risk culture, align with regulatory and member expectations, and strengthen the link between performance, risk and remuneration outcomes. While expectations differ for different roles, risk awareness, identification, reporting and management of risks are the responsibility of everyone at Avant. All our people have a role to play in ensuring the effective management of both financial and non-financial risks, meeting minimum compliance requirements and behaving in accordance with the Avant policies. Avant expects our people to: • exhibit conduct and behaviours in keeping with our values, mission, purpose, code of conduct, risk management framework and expectations as contained within Avant policies • act in the best interest of Avant, its members and its people, despite how these actions may impact their own performance and remuneration outcomes • advocate for and actively support the organisation to deliver effective risk management. Based on displayed risk behaviours, an individual risk and conduct multiplier is applied, which ranges from 0% to 120% of the target STI opportunity.		
Opportunity	The maximum STI opportunity is calculated as set out below and is capped at 195%.		
	STI component	On-target	Maximum % of target STI opportunity
	Group or business line performance	100%	130%
	Individual performance	100%	150%
	Individual risk and conduct multiplier	100%	120%
	Total – up to a maximum of		195%

The diagram below illustrates how the individual short-term incentive outcome is calculated:

$$\begin{array}{|c|} \hline \text{Group / Business} \\ \text{Unit Multiplier} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Individual} \\ \text{Performance} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Risk and Conduct} \\ \text{Multiplier} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Final STI} \\ \text{Outcome} \\ \hline \end{array}$$

Deferral	For accountable personnel under the Financial Accountability Regime not eligible to participate in long-term incentive programs, 40% of the final STI outcome is subject to deferral for four years (unless the amount awarded is \$125,000 or less, in which case it is exempt from deferral). Interest is payable on the deferred opportunity.
Forfeiture (malus)	Malus and clawback provisions are embedded in the STI for persons in specified roles, providing mechanisms to adjust rewards based on risk and conduct outcomes. No malus or clawback provisions were invoked in FY25.

3.2.3 Linking our long-term performance and incentive outcomes: executive long-term Incentive

Our executive long-term incentive plan (LTI) is a major part of our reward philosophy for our most senior leaders within Avant.

Overview	Our executive LTI plan is available to selected key senior executives.
Rationale	The plan is designed to align our senior executives to the overall company performance by delivering on Avant's strategic priorities and long-term performance for our members. It aligns effort to long-term value creation for members and assists in attracting and retaining the right senior executives to drive the execution of Avant's business plan and strategic objectives.
Determination	The executive LTI plan is subject to a combination of financial and non-financial performance hurdles focused on the key strategic business drivers, a sustainable performance over a four year period, sound risk management and good conduct and behaviour outcomes. It remains at the discretion of the Board, which reserves the right to modify the payment.
Individual performance	At the end of the period, the LTI payment is determined based on the outcomes against the performance hurdles and meeting the minimum gateway.
Risk and conduct	The payment of the LTI is subject to risk and conduct conditions. Where the Board or the Remuneration Committee determines that risk and conduct behaviours are materially below required standards, including the risk management framework or code of conduct, or in contravention of relevant laws, the LTI can be reduced, including to zero. This supports a focus on how results are delivered in alignment with Avant's values and to strengthen risk culture.
Opportunity	The Board and / or the Remuneration Committee sets the amount each senior executive is invited to participate in the LTI plan.
Deferral	Payment is deferred until after the conclusion of the four-year plan period and completion of Avant's consolidated financial accounts and audit. This deferral is consistent with the requirements of the Financial Accountability Regime.
Forfeiture (malus)	Any payment is subject to risk and conduct gateways, malus and clawback conditions and ultimately Board and / or Remuneration Committee discretion. They provide mechanisms for the Board to adjust rewards based on the participant's conduct. No malus or clawback provisions were invoked in FY25.



4. Risk and remuneration outcomes

Everyone at Avant is accountable for the way they conduct themselves. When an employee behaves in a way that falls below the expectations described in our code of conduct, through the Avant values or our risk management framework, there are consequences.

The Board, with the assistance of the Remuneration Committee and the relevant risk committee, has mechanisms to adjust remuneration and incentive outcomes to reflect group or business line performance, individual contribution to these results and alignment to Avant's values and required risk behaviour. These mechanisms are designed to:

- prompt and effective management of financial and non-financial risks
- prevent and mitigate conduct risk
- encourage sustainable performance and long-term soundness.

4.1 Material weighting of non-financial measures in scorecards

Incentive awards under our short-term incentive plan are determined based on a balanced scorecard including a combination of financial performance of the group and relevant business unit, non-financial performance, including member / customer, people and risk measures, and attainment of strategic initiatives over a 12-month period.

The performance and remuneration of financial control, risk and compliance staff is assessed according to objectives that are specific to their roles and independent of the business they oversee. Variable remuneration for these staff is intended to reflect the independence and authority of those staff in carrying out their function and the purpose of that function. It is not unduly influenced by the performance of the business activities and minimises conflicts of interest.

4.2 Incentive outcomes based on both the 'what' and 'how'

The Board or Remuneration Committee considers risk and conduct behaviours, including input from the relevant committees, for executives and persons in specified roles to assess whether to apply discretion in determining both short and long-term incentive outcomes (noted below). Risk and conduct behaviours are assessed against Avant's risk management framework and code of conduct.

A risk and conduct multiplier applies to the STI award based on displayed behaviours, which ranges from 0% to 120% of target opportunity. For LTI, the Board or the Remuneration Committee may reduce incentive payments by up to and including a zero payment, for misconduct or where conduct has a financial or non-financial failure that materially impacts Avant's risk profile, sustainable performance and/or long-term soundness or risk management or conduct that is likely to adversely affect Avant's reputation.

4.3 Application of the Board's discretion

The Board, with the support of its committees, reviews and approves the company key performance indicators upon which future proposed incentive arrangements will be based, having regard to business plans, member expectations, strategic objectives, the risk management framework, financial and non-financial risks, sustainable performance, long-term soundness, and the prevention and mitigation of conduct risk of the Avant Mutual Group.

The Board or the Remuneration Committee, exercises discretion to apply both positive or negative remuneration consequences to executives and persons in specified roles with accountability for matters arising in their areas of responsibility. This includes matters with adverse risk, customer or member impacts. The risk committees will present any risk related information the Remuneration Committee should consider when making remuneration recommendations or decisions. The Remuneration Committee has access to and input from risk and internal audit leaders.

4.4 Consequence Management Policy

The Consequence Management Policy sets out the framework and potential actions Avant may undertake if it considers a breach of conduct risk to have occurred and the possible associated consequences. The policy:

- describes the consequences that may apply with respect to inappropriate behaviour or misconduct by Avant team members
- outlines a structured approach to determining fair, reasonable and consistent consequences, having regard to expected level of team member performance and behaviour, relevant legislative, regulatory and policy requirements
- provides examples of the types of consequences (financial or otherwise) for inappropriate behaviour or misconduct that may be applied in particular circumstances.

To review any matters that fall within the scope of the consequence management framework, the Managing Director will meet with the Chief People Officer and the Chief Risk Officer to determine the category of consequence that should apply. In the case of matters relating to the Managing Director, the Chief People Officer will meet with the Chair of the Remuneration Committee.

5. Specified roles at Avant

This report covers the remuneration arrangements of persons in specified roles. These are the people who have the authority and responsibility for planning, directing and controlling the activities of Avant. The specified roles are identified as senior managers and material risk takers in accordance with CPS 511, and / or those identified as accountable persons in accordance with the Financial Accountability Regime framework.

Unless otherwise indicated below, all individuals served in the roles for the full financial year.

Executive Team	Position	Avant Insurance Ltd Specified Role	Doctors' Health Fund Ltd Specified Role
Natasha Fenech	Group CEO & Managing Director	CEO & Managing Director Senior Manager: Highly Paid Material Risk Taker Accountable Person	CEO & Managing Director Senior Manager: Highly Paid Material Risk Taker Accountable Person
Peter Aroney	CEO, The Doctors' Health Fund	-	Senior Manager: Material Risk Taker Accountable Person
Rashi Bansal	CEO, Medical Indemnity	Senior Manager: Material Risk Taker Accountable Person	-
Pally Bargri	Chief Risk Officer	Senior Manager: Risk & Financial Control Personnel Accountable Person	Senior Manager: Risk & Financial Control Personnel Accountable Person
Stephen Brickett	General Manager, Financial Control	Senior Manager: Risk & Financial Control Personnel	Senior Manager: Risk & Financial Control Personnel
Jeffrey Eberwein	Chief Solutions and Data Officer	Senior Manager: Material Risk Taker Accountable Person	Senior Manager: Material Risk Taker Accountable Person
Mike Fowlds	Appointed Actuary	Appointed Actuary	-
Zana Jordan	General Counsel (to 13/3/25)	Senior Manager: Risk & Financial Control Personnel	Senior Manager: Risk & Financial Control Personnel
Stephen Lewis	Head of Internal Audit	Senior Manager: Risk & Financial Control Personnel Accountable Person	Senior Manager: Risk & Financial Control Personnel Accountable Person
Adrian Urquhart	Chief Financial Officer	Senior Manager: Material Risk Taker Accountable Person	Senior Manager: Material Risk Taker Accountable Person
Rachael Williams	Chief People Officer	Senior Manager: Material Risk Taker Accountable Person	Senior Manager: Material Risk Taker Accountable Person



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