Helia

# ASX Announcement

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## Update to LTI remuneration hurdles

**22 August 2023:** Helia Group Limited (Helia or the Company) (ASX:HLI) confirms that the Board has approved updates to the return on equity (ROE) targets in the 2021, 2022 & 2023 Long Term Incentive (LTI) plans.

The Board remains committed to ensuring that hurdles retain an appropriate level of stretch and that plans are designed based on the fundamental principle of motivating and retaining key employees by:

- providing awards that align to longer-term organisational performance and reflect their ability of each role to influence Helia's performance; and
- ensuring executives operate within Helia's risk management framework.

In the 2022 Annual Report, Helia noted that it would adjust the measures for the 2023 LTI grant in light of the adoption of AASB 17 (Insurance Contracts) and its effect on underlying ROE. This also impacts active grants made in 2021 and 2022.

For the 2023 grant, the new Underlying ROE hurdles take into account the broader macroeconomic environment, inclusive of higher interest rates and also incorporate a higher absolute ROE target to reflect lower equity under AASB 17.

**New 2023 LTI Plan Vesting Summary:**

| Vesting | % | 0% | 50% | 60% | 70% | 80% | 90% | 100% |
|---|---|---|---|---|---|---|---|---|
| Underlying ROE[1] | 25% | <11.0% | 11.0% | 11.7% | 12.4% | 13.1% | 13.8% | 14.5% |
| Relative TSR (vs. ASX 200 financials excl. REITs) | 75% | <50$^{th}$ | 50$^{th}$ | 55$^{th}$ | 60$^{th}$ | 65$^{th}$ | 70$^{th}$ | 75$^{th}$ |

For the 2021 and 2022 grants, Underlying ROE hurdles have been adjusted upward by 0.5 and 1.125 percentage points respectively, reflecting the lower equity under AASB 17 which will apply for part of the performance period.

[1] Calculated as the average of four-year Underlying NPAT divided by the four-year average equity (excluding mark to market value of investments) measured against regulatory capital (based on the lesser of actual capital or the upper end of the Board's targeted range above the Prescribed Capital Amount of 1.60x). Underlying ROE is a strategically important internal measure of financial performance for Helia. It captures the Company's ability to convert equity into returns (profit) and supports a number of Helia's strategic priorities.

**Updated 2021 LTI Plan Vesting Summary:**

| Vesting | % | 0% | 50% | 60% | 70% | 80% | 90% | 100% |
|---|---|---|---|---|---|---|---|---|
| Underlying ROE[2] | 25% | <7.5% | 7.5% | 8.2% | 8.9% | 9.6% | 10.3% | 11.0% |
| Relative TSR (vs. ASX 200 financials excl. REITs) | 75% | <50th | 50th | 55th | 60th | 65th | 70th | 75th |

**Updated 2022 LTI Plan Vesting Summary:**

| Vesting | % | 0% | 50% | 60% | 70% | 80% | 90% | 100% |
|---|---|---|---|---|---|---|---|---|
| Underlying ROE[3] | 25% | <8.1% | 8.1% | 8.8% | 9.5% | 10.2% | 10.9% | 11.6% |
| Relative TSR (vs. ASX 200 financials excl. REITs) | 75% | <50th | 50th | 55th | 60th | 65th | 70th | 75th |

All other components of the remuneration framework remain unchanged. Further detail on Helia's remuneration framework can be found in the Remuneration report section of the 2022 Annual Report at: https://investor.helia.com.au/Investor-Centre/?page=reports-and-presentations

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The release of this announcement was authorised by the Disclosure Committee.

[2] ROE calculation: 3-year average of annual underlying net profit after tax divided by the 3-year average equity (based on upper end of the Board's targeted range above the Prescribed Capital Amount) calculated quarterly & excluding mark to market value of investments; outcomes weighted as follows: 2021 –25.0%; 2022 –37.5%; 2023 –37.5%. Above Board target range of 1.44x PCA.

[3] ROE calculation: 4-year average of annual underlying net profit after tax divided by the 4-year average equity (based on upper end of the Board's targeted range above the Prescribed Capital Amount) calculated quarterly & excluding mark to market value of investments. Above Board target range of 1.60x PCA.