

Remuneration Disclosure 2024

Introduction

The following remuneration disclosure has been prepared by First American Title Insurance Company of Australia Pty Limited ("First Title"), in accordance with the Australian Prudential Regulation Authority's ("APRA") remuneration disclosure under Prudential Standard CPS 511 Remuneration ("CPS 511"). First Title is the Australian subsidiary First American Financial Corporation, a Delaware corporation. Our vision "is to be the premier title insurance and settlement services company".

Remuneration governance

First Title Board

First Title Board is ultimately responsible for ensuring management and effective governance, and provides governance in addition to the Board and Board Remuneration Committee. The First Title Board is responsible for:

- the remuneration framework and its effective application;
- approving the Remuneration Policy;
- nominating or approving any specified roles;
- approving variable remuneration outcomes for specified roles, including exercising discretion where required; and
- establishing a Remuneration Committee with appropriate skills, experience and expertise to exercise competent and independent judgement and risk management.

Where appropriate, the First Title Board may consult with the Board Remuneration and Board Risk Committees, CEOs, risk and financial control personnel, or any other party for input in the course of its duties.

The First Title Board met four times during 2024.

Board Remuneration Committee

The First Title Board has established the Board Remuneration Committee, who have the appropriate skills, experience and expertise to exercise competent and independent judgement and risk management as they relate to the relevant policies. The Remuneration Committee is responsible for:

- maintaining remuneration policies and practices;
- conducting regular reviews of and make recommendations to the Board on the Remuneration Policy at least every 3 years or where there are any proposed amendments;
- approving the total remuneration (including short-term and long-term incentive schemes) of specified roles;
- approving all incentive schemes in the aggregate;
- consulting with the Board Risk Committee, CEO, risk and financial control personnel or any other party where appropriate; and
- meeting with APRA as required.

The Board Remuneration Committee met twice during 2024.

Remuneration framework

The remuneration framework is designed to:

- Align to First Title's business plan and strategic objectives;
- Align to First Title's risk management framework;
- Promote the management of all risks, financial and non-financial;
- Drive the identification, mitigation and prevention of risks associated with misconduct;
- Promote gender equity in the workplace and First Title's gender pay gap targets;
- Address any aspect of the WGEA's Gender Equality Indicators that do not meet the expectations of WGEA or of First Title.

An overview of the remuneration framework is below.

First American Financial Corporation Oversight and Compensation Committee Charter						
First Title Remuneration Committee Charter						
First Title business plan and strategic objectives	Risk Management Framework and Risk Appetite Statement	Remuneration Policy	Remuneration is informed by:	Remuneration strategy		
				<ul style="list-style-type: none">Align to First Title’s business plan and strategic objectivesAlign to First Title’s risk management frameworkPromote the management of all risks, financial and non-financialDrive the identification, mitigation and prevention of risks associated with misconductPromote gender equity in the workplace		
			Remuneration is structured as:	Remuneration elements		
				<ul style="list-style-type: none">Fixed pay which includes superannuation, allowances and benefitsVariable remuneration comprises of cash bonus and deferred shares and/or deferred cashContract and casual staff, staff who have tendered resignation and are serving notice at the time of variable remuneration payment and staff eligible for sales incentives are not eligible for variable remunerationOther remuneration elements: Sign-on/retention awards, allowances, non-financial benefits where appropriate		
		Remuneration Structure	The key aspects of the framework are:	Governance	Process	Variable Remuneration
				<ul style="list-style-type: none">The First Title Remuneration Committee oversees the remuneration arrangements for all employees and contractors of First Title including variable remuneration outcomesThe First Title Remuneration Committee operates under the Remuneration Committee Charter approved by the Board. This charter sets out the roles, responsibilities and terms of the operationThe role of the First Title remuneration committee is to review, challenge, assess and, as appropriate, endorse the recommendations and present these for Board approval	<ul style="list-style-type: none">Performance reviews are completed at least once a year.Remuneration reviews and any remuneration increases may be determined by one or multiple factors that contribute towards equitable remunerationThe Chief Executive Officer, Chief Financial Officer and human resources staff will work closely with the people leaders to determine recommended salary increasesSome employees may be eligible for a variable pay component	<ul style="list-style-type: none">The variable remuneration structure for applicable employees must reflect appropriate financial controls within First Title’s risk profileIndividual variable remuneration outcomes are to be determined by reference to Key Performance Indicator (KPI) goals and Values and Risk Assessment (VRA) goalsRemuneration deferral for First Title employees will apply in accordance with the relevant regulation. Apportionment will be determined by the performance measuresAll employees and contractors who receive a variable remuneration component may have their variable remuneration adjustedVesting of variable remuneration is contingent upon the vesting process as laid out by First Title
Remuneration is supported by:			Policy, processes, training	Systems	Reporting and disclosure	
			<ul style="list-style-type: none">Remuneration Policy	<ul style="list-style-type: none">Compensation arrangements with third party service providers	<ul style="list-style-type: none">The remuneration reporting will comply with:<ul style="list-style-type: none">CRS 511 disclosure requirementsWGEA disclosure requirements	

Remuneration policy

The Remuneration Policy sets out the remuneration framework, structure, and processes to achieve the remuneration objectives.

The remuneration framework is designed to reward for contribution in achieving the strategic objectives, improving long-term financial sustainability and alignment with the Risk Framework.

The Remuneration Policy outlines roles and responsibilities of the First Title Board and Board Remuneration Committee and the remuneration design and review processes.

Specified roles

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

- **Senior managers:** Employees or contractors who exercise any of the senior management responsibilities (within the meaning of the applicable prudential standards) for First Title
- **Material risk-takers:** Any employee or contractor whose activities have a material potential impact on First Title's risk profile, performance and/or long-term soundness.
- **Risk and financial control personnel:** Employees or contractors whose primary role is in risk management, compliance, internal audit, financial control or actuarial control of First Title.

Forms of remuneration

The remuneration for First Title executives is designed to encourage achievement of short-term financial results in the face of cyclical and unpredictable real estate market dynamics while maintaining focus on enhancing long-term value. The key compensation objectives are:

- Motivate executive officers to deliver long-term stockholder value without taking inappropriate risks.
- Encourage achievement of strong short-term results through cyclical real estate market dynamics.
- Support the attraction, retention and motivation of a highly capable leadership team critical to creating long-term value for our stockholders.
- Provide compensation levels that are competitive with significant competitors and other companies in our Company's peer group

First Title offers variable remuneration 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 remuneration structure for specified roles consist of:

Key element	Description
Fixed remuneration	<p>Fixed remuneration comprises base salary, superannuation and any salary sacrificed benefits.</p> <p>Base salary reflects the size and complexity of the role, capability and experience of the individual, and scarcity in the market.</p>

Key element	Description
	<p>The company takes into account performance, market benchmarking, internal pay parity, affordability, and gender pay alignment when determining fixed remuneration increases.</p>
Variable remuneration	<p>Variable remuneration is designed to reward performance and sustain the long-term financial performance.</p> <p><u>Short-term incentive (“STI”)</u> Senior management and other selected employees may be eligible to participate in the STI plan. The scheme rewards participants up to a set opportunity for each year, with the amount dependent upon performance.</p> <p>Individual variable remuneration outcomes are determined by reference to Key Performance Indicator (KPI) goals and Values and Risk Assessment (VRA) goals. KPI goals are linked to short-term and long-term performance goals including ensuring the long-term soundness of First Title.</p> <p>The KPI and VRA goals are to be assessed on a balanced scorecard incorporating financial and non-financial measures for KPI and VRA goals. Each goal is weighted having regard to the role of the participant. While participants may have a mix of KPI and VRA goals, failure to meet VRA goals may warrant reduction of variable remuneration to zero regardless of whether KPI goals are met.</p> <p>All employees eligible for a variable remuneration component of their income must have VRA goals that promote the management of risks consistent with First Title’s Risk Management Strategy and the making of decisions consistent with First Title’s Risk Appetite Statement.</p> <p>Risk and financial control personnel do not have KPI goals that compromise, or have the potential to compromise, their independence in carrying out their function.</p> <p><u>Sales Incentive Plan (“SIP”)</u></p> <ul style="list-style-type: none"> • Certain employees may be eligible to participate in the SIP at the discretion of senior management. • The SIP is designed to incentivise sales based employees increase the First Title’s total sales by new clients and increasing sales made to new clients in a manner that is in line with the Remuneration and Risk Management Frameworks. <p><u>Equity awards</u></p> <ul style="list-style-type: none"> • Certain employees may be eligible for an equity award, at the discretion of First American Financial Corporation. Equity awards are typically granted in Restricted Stock Units and vest over a forward period. <p><u>Other incentive arrangements</u></p> <ul style="list-style-type: none"> • The Company may also offer other incentive arrangements from time to time, at the discretion of the Board or CEO. These arrangements

Key element	Description
	<p>recognise alignment to First Title's values and achievements beyond the existing schemes.</p> <ul style="list-style-type: none"> • These incentive arrangements may be paid in cash or equity in First Title's parent company. Any additional incentive arrangements may be subject to deferral.

Remuneration and risk management

The Risk Management Framework outlines the process of identifying, analysing and assessing risk in a consistent manner using common systems and methodologies. The Risk Management Framework includes identification and escalation of incidents including those relating to conduct risk which may bear on the assessment of staff performance and remuneration outcomes. The Risk Management Framework provides a structure for decisions to be well informed and aligned to achieving strategic objectives, within the approved risk appetite.

Consequence management

All employees and contractors who receive a variable remuneration component may have their variable remuneration adjusted in the event of:

- misconduct by the individual including misconduct dealt with under the Consequence Management Framework;
- a significant failure by the individual of financial or non-financial risk management;
- a significant failure or breach of accountability, fitness and propriety, or compliance obligations by the individual; or
- significant adverse financial or non-financial outcomes for customers or counterparties.
- Failing to comply with their accountability obligations in accordance with FAR.

Any relevant circumstance, when identified, are to be investigated by Legal, Risk & Compliance or by outside legal counsel and the results of such investigation are to be presented to the CEO, First Title Remuneration Committee and Board for assessment of adjustment to variable remuneration. No variable remuneration is payable while such investigation is underway including vesting of variable remuneration which must be paused until assessment of any adjustment by the First Title Remuneration Committee and Board is complete.

The CEO, First Title Remuneration Committee and Board may take such steps to adjust variable remuneration commensurate with the severity and extent of the conduct triggering the adjustment. The adjustment tools include:

- Pausing variable remuneration payments or vesting of variable remuneration payments for such period as is warranted to correct the conduct;
- Reduction of future variable remuneration payments including reduction to nil;
- Clawback of past variable remuneration payments (for up to two years after payment) that are eligible for recovery, where legally permissible;
- Applying malus to vested variable remuneration payments; and
- Setting specific criteria for an individual's future eligibility for future variable remuneration.

The variable remuneration adjustment tools may be applied to employees or contractors who have ceased employment with First Title, where legally permissible.

Variable remuneration will also be adjusted where there was a significant error or misstatement of criteria during the assessment process on which the variable remuneration determination was based.