



BERKSHIRE HATHAWAY SPECIALTY INSURANCE

Remuneration Policy

Berkshire Hathaway Specialty Insurance Company, Australia Branch

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1 Governance of the Remuneration Framework

BHSI's Remuneration Framework is governed by our President, BHSI whom meets as necessary and at least once per year to review and approve the remuneration proposals.

The Risk Management Committee reviews and approves all revisions and updates to the Remuneration Policy with reviews being conducted at least biannually.

The President, BHSI, on recommendation from the Branch, reviews and approves actual bonus awards.

2 Remuneration Philosophy

Attracting, developing, rewarding, and retaining team members of strong capability and exemplary character is fundamental to achieving BHSI's organizational goals. A core principle of our talent management strategy is a longstanding commitment to equal opportunity in all aspects of employment, including the way BHSI rewards and recognizes its team.

Our organization is based on the concept of a meritocracy which rewards team members who consistently demonstrate a high level of performance, aligned with our values, with the opportunity for advancement, development, increased responsibility & financial compensation. It equally values both the outcomes of a team member's contributions, and the behaviors demonstrated in achieving them; in support of the values-based organization we have created. As a values-based organization comprised of individuals who possess strong capabilities and exemplary character, the way an outcome is achieved (the how) is as important as the outcome itself (the what).

We keep it simple. With rare exceptions, the general approach is to give team members a base salary and a bonus target. Team members can increase their compensation through individual performance, growth in role, expansion of job responsibilities, and promotion.

3 Remuneration Framework

BHSI is committed to providing remuneration packages that attract, retain, and motivate team members with the necessary skills and experience to help achieve its primary business objective of generating an underwriting profit over the long-term while operating within BHSI's risk appetite and within the parameters set under applicable laws and regulations and, importantly, protecting the reputation of BHSI and Berkshire Hathaway Inc., its ultimate shareholder.

There shall be no incentive to expose the Company to excessive risk, treat customers unfairly or put the reputation of the Company or its shareholder at risk.

4 Deferrals and Adjustments

Any variable remuneration awards shall be subject to downwards adjustment mechanisms for exposure to current and future risks which will be proportionate to the severity of the risk and conduct outcome. Downwards adjustment mechanisms may consist of in-year adjustments and malus adjustments to awards.

Deferrals are applied as appropriate in accordance with the Financial Accountability Regime.