



corporate
governance
statement
2021



contents

message from the chairman	2	remuneration	12
corporate governance framework	3	non-executive director remuneration	12
board role and responsibilities	3	senior executive remuneration	12
board committees	4	trading policy	12
board composition and independence	5	managing risk	13
board skills matrix	6	risk management framework	13
appointment, election and re-election	7	internal audit	13
induction and training	7	reporting, disclosure and communications	14
performance evaluation	7	integrity in corporate reporting	14
company secretary	7	continuous disclosure	14
culture, diversity and inclusion	8	shareholder engagement	15
values, conduct and policies	8		
diversity and inclusion objectives and outcomes	8		



message from the chairman

I am pleased to present nib's Corporate Governance Statement for the financial year ended 30 June 2021.

In line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (ASX Governance Principles) our Board and Management were committed to demonstrating the highest standards of corporate governance for the period.

Several highlights during the year demonstrating this commitment include:

- nib's recognition as one of the top 100 most diverse and inclusive organisations worldwide as part of Refinitiv's 2020 Diversity and Inclusion (D&I) Index;
- Developing our Diversity and Inclusion Action Plan 2021-2023 that details nib's equity and inclusion actions and objectives;
- Our inaugural Reflect Reconciliation Action Plan has been put in place to learn and reflect on what it means to truly reconcile with our First Nations peoples;
- nib's first Modern Slavery Statement was published and outlines the steps we have taken to identify, assess and mitigate modern slavery risks within our operations and supply chain; and
- We developed an Ethics Framework weaving together our purpose, values and principles to establish a clear point of reference for nib's employees when making decisions across the organisation.

Following the financial year in July 2021, we farewelled long-time Chairman, Steve Crane, who has been instrumental in nib's growth during his tenure and more recently has shown great leadership and capability in responding to the COVID-19 pandemic. I am honoured and excited to assume the role of nib's Chairman and thank Steve for the extraordinary contribution to the company over the past decade.

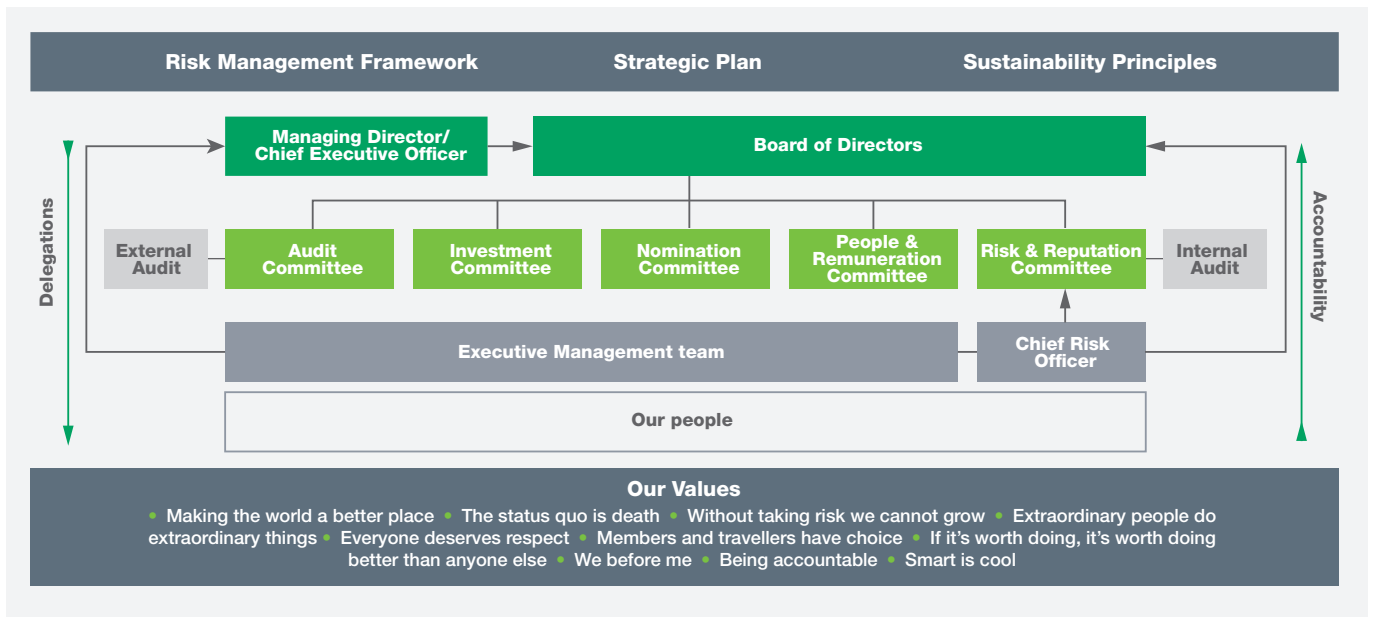
In addition, we welcomed Peter Harmer as an Independent Non-Executive Director in July 2021. Peter will stand for election at the 2021 Annual General Meeting in November and brings over 40 years' experience in the Australian and international insurance and financial sectors.

While the following statement summarises nib's corporate governance practices for the period 1 July 2020 to 30 June 2021, nib's 2021 Annual Report and Sustainability Report also provide further information on nib's governance and risk management activities and are available to view on our website, nib.com.au/shareholders.

David Gordan
Chairman



corporate governance framework



board role and responsibilities

nib's Board provides overall strategic guidance for the nib Group and effective oversight of management.

The Board ensures that the activities of the company comply with its Constitution, from which the Board derives its authority to act, and in accordance with all legal and regulatory requirements. To achieve this role, the Board Charter (available at nib.com.au/shareholders) reserves the following responsibilities to the Board:

- overseeing the development of nib's strategy;
- oversight of management;
- ensuring effective shareholder communication and the exercise of shareholder rights;
- monitoring environmental, employment and WHS policies, and policies governing nib's relationship with other stakeholders;
- approving the company values and reviewing the embedding of those values throughout the organisation;
- continually reinforcing the desired culture of acting lawfully, ethical business practices and responsible decision making;
- establishing and maintaining nib's Code of Conduct;
- monitoring the performance of sustainability initiatives and reporting of social, environmental and ethical impacts of nib's business practices on stakeholders;
- oversight of financial and capital management; and
- overseeing nib's systems of audit, compliance and risk management.

The Board has delegated to the Managing Director/Chief Executive Officer (MD/CEO) the authority to manage the day-to-day operations of the business in relation to all matters other than those responsibilities reserved to itself. The MD/CEO has, in turn, authority to sub-delegate.

Board committees

The Board has five standing Board Committees (refer to charters for Audit Committee, Investment Committee, Nomination Committee, People and Remuneration Committee and Risk and Reputation Committee) with each Committee comprising independent non-executive directors and chaired by an independent non-executive director, as summarised in the table below.

The Chairman of the Board is the Chairman of the Nomination Committee and attends other Committee meetings in an ex-officio capacity.

nib's Annual Report discloses the number of times the Board and Committees met throughout the financial year and the individual attendances of Directors at those meetings on page 18 of the Directors Report.

nib's Annual Report and each committee charter is available on our website nib.com.au/shareholders

Board Committee	Responsibilities	Members as at 30 June 2021
Audit Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> nib's external audit function and the adequacy of nib's corporate reporting processes; the integrity of nib's financial statements and other material regulatory documents; the competency, fees, independence and quality of services provided by nib's Appointed Actuary and External Auditor; nib's systems and procedures for compliance with applicable financial reporting standards, regulatory financial reporting requirements and ASX listing obligations; monitoring solvency and compliance with nib's Capital Management Plan; and the propriety of related party transactions. 	<p>Anne Loveridge (Chairman)</p> <p>Jacqueline Chow</p> <p>David Gordon</p>
Investment Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> investment strategy and investment risk management; investment performance and outlook; compliance with the investment component of nib's Capital Management Plan; compliance with the gearing component of nib's Capital Management Plan; external group borrowings; and compliance with debt covenants. 	<p>Donal O'Dwyer (Chairman)</p> <p>Jacqueline Chow</p> <p>Anne Loveridge</p>
Nomination Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> director selection and appointment practices; director performance evaluation processes and criteria; Board composition; and succession planning for the Board. 	<p>Steve Crane (Chairman)</p> <p>Lee Ausburn</p> <p>Jacqueline Chow</p> <p>Mark Fitzgibbon</p> <p>Anne Loveridge</p> <p>Donal O'Dwyer</p> <p>David Gordon</p>
People and Remuneration Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> remuneration strategy, policies and practices; reviewing the nib Diversity and Inclusion Policy; reviewing the People and Culture strategy, succession planning processes and annual engagement survey; reviewing the company values and the inculcation of those values throughout the organisation; and monitoring employee engagement and culture. 	<p>Lee Ausburn (Chairman)</p> <p>Jacqueline Chow</p> <p>Donal O'Dwyer</p> <p>David Gordon</p>

Board Committee	Responsibilities	Members as at 30 June 2021
Risk and Reputation Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> nib's internal audit function, the appropriateness of risk policy, risk management strategy and risk management framework; the effectiveness of nib's risk management framework; identification and assessment of material risks; nib's systems and procedures for compliance with applicable legal and regulatory requirements (other than financial reporting standards, regulatory financial reporting requirements and ASX listing obligations monitored by the Audit Committee); sustainability initiatives and the social, environmental and ethical impacts of nib's business practices on nib stakeholders including, but not limited to, members, employees and community; and recommending standards for social, environmental and ethical practices. 	<p>Jacqueline Chow (Chairman)</p> <p>Lee Ausburn</p> <p>Anne Loveridge</p> <p>Donal O'Dwyer</p>

Board composition and independence

As at 30 June 2021, there were seven Directors on nib's Board: six non-executive directors, all of whom are independent, and one Executive Director, being the Chief Executive Officer who is also appointed as the Managing Director.

The Board Charter sets out specific principles in relation to Directors' independence and requires that all Directors bring an independent judgment to bear on all Board decisions.

On appointment, each Director is required to provide information to the Board to assess their independence as part of their consent to act as a Director. The Board regularly assesses the independence of each Director in light of the interests disclosed by them and the length of tenure of each of the Directors.

The Board has determined that all current non-executive directors, including the Chairman, are independent and free of any relationship which may conflict with the interests of nib and the Group in accordance with the approved criteria for assessing independence.

The date of appointment and tenure for each non-executive director are set out in the table below. Details of the skills, experience and expertise of the Directors are set out on pages 14 to 17 of the Annual Report available on our website nib.com.au/shareholders.

Board of Directors		Appointed	Tenure
Mr Steve Crane¹	Chairman; Non-Executive Director/Independent	28 September 2010 (Appointed as Chairman 1 October 2011)	10 years 9 months
Mr Mark Fitzgibbon	Managing Director/Chief Executive Officer	28 May 2007	14 years 1 month
Ms Lee Ausburn	Non-Executive Director/Independent	13 November 2013	7 years 7 months
Ms Jacqueline Chow	Non-Executive Director/Independent	5 April 2018	3 years 2 months
Mr David Gordon²	Non-Executive Director/Independent	29 May 2020	1 year 1 month
Ms Anne Loveridge	Non-Executive Director/Independent	20 February 2017	4 years 4 months
Mr Donal O'Dwyer	Non-Executive Director/Independent	22 March 2016	5 years 3 months

1. Retired from nib holdings limited Board on 29 July 2021.

2. Appointed as nib holdings limited Chairman on 29 July 2021.

Board skills matrix

The following board skills matrix sets out the skills of the nib Board. All Directors (including the Executive Director) have been assessed against the skills matrix. nib's Board skills matrix will continue to develop as nib's strategy develops. All areas of nib's skills matrix are currently well represented on the nib Board. nib has four male and three female directors.

Skills	
Leadership	
<ul style="list-style-type: none">• Previous experience as a director, executive or senior leader of a publicly listed or large company	
International business	
<ul style="list-style-type: none">• Experience in developing and leading international businesses• Exposure to a range of political, cultural and regulatory environments	
Industry experience	
<ul style="list-style-type: none">• Experience as a director or senior executive in the private health insurance, general insurance or financial services industries	
Digital and emerging technologies	
<ul style="list-style-type: none">• Experience in existing and emerging technology to drive innovation and business growth• Experience in deriving deep insights into customer needs through big data and artificial intelligence	
Corporate strategy	
<ul style="list-style-type: none">• Experience in developing, reviewing, scrutinising and implementing corporate strategy, including organic growth through innovation as well as merger and acquisition experience	
Risk Management	
<ul style="list-style-type: none">• Experience in assessing the effectiveness of risk management frameworks, identification and assessment of material risks, oversight of systems and procedures for compliance, and setting and monitoring risk appetite and risk culture	
Government and public policy	
<ul style="list-style-type: none">• Experience in government interactions at senior levels and influencing public policy development and application	
Marketing, customer focus and brand	
<ul style="list-style-type: none">• Experience and/or qualifications in marketing, branding, distribution, customer management and retention strategies	
People and cultural alignment	
<ul style="list-style-type: none">• Experience in people matters, including creating cultural alignment, promotion of diversity, establishing or overseeing remuneration frameworks, management development and succession planning	
Business and technical skills	
<ul style="list-style-type: none">• Experience and/or qualifications in any of the following business and technical skills:<ul style="list-style-type: none">– Accounting– Finance– Audit– Risk management– Legal– Mergers and acquisitions	
Skill and personal attributes expected of all directors	
<ul style="list-style-type: none">• Accountability• Strategic thinking• Ability to network	<ul style="list-style-type: none">• Ability to work in a team• Knowledge of corporate governance practices• High level of performance in respective field of experience and endeavour

Appointment, election and re-election

nib has adopted a set of desired competencies for the appointment of directors to the Board. These capabilities include general corporate attributes, industry specific attributes and personal attributes.

In accordance with the Nomination Committee Charter, the Committee is to meet as frequently as required to perform its function but at least once a year to review its composition including the size of the Board, the number of independent directors and the mix of skills, experience and diversity of directors.

The current composition of the Board reflects nib's policy of having at least three independent, non-executive directors with appropriate expertise and experience to deal with current and emerging issues for nib.

When a vacancy on the Board arises, the Nomination Committee uses an external executive recruitment agency to identify a short list of non-executive directors who can bring appropriate skills, experience and expertise and an independent judgment on the strategy and performance of nib.

The shortlists of candidates are interviewed by the Chairman of the Board, the People and Remuneration Committee Chairman and any other Non-Executive Director as considered appropriate. Candidates with the skills, experience and expertise that best complement the Board's existing skills and experience are then recommended to the Board. Prior to appointment, nib engages an external professional body to undertake background checks (including criminal checks). A new Director must also be assessed as fit and proper in accordance with nib's Fit and Proper Policy and APRA Prudential Standard CPS 520.

A director appointed to the Board as a casual vacancy or an addition to the Board is required to stand for election at the next Annual General Meeting (AGM).

At each AGM, there must be an election of Directors. A Director must retire from office at least every three years (excluding the MD/CEO), and a Director appointed to fill a casual vacancy or as an additional Director to the Board must stand for election at the AGM immediately following appointment. Retiring Directors are eligible for re-election.

Before each AGM, the Board will assess the performance of any Director standing for re-election and will determine the Board's recommendation to shareholders on the re-election of the Director. The Notice of Meeting contains all material information in relation to any Director standing for election or re-election to provide shareholders with sufficient information relevant to the decision to elect or re-elect a Director.

A letter of appointment is entered into between nib holdings limited and Non-Executive Directors setting out the terms and conditions of their appointment as well as a Deed of Indemnity, Insurance & Access. For nib's senior executives, an Executive Service Agreement is entered into setting out the terms and conditions of their appointment by nib.

Induction and training

Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

It is the practice at nib for the continuing professional development programs for Directors to be agreed between the individual director and Chairman and consequently this responsibility has not been given to the Nomination Committee.

Performance evaluation

The Board undertakes an annual review of its collective performance, the performance of the Chairman, individual Directors and of its Committees. In FY21, the Board undertook an internal performance review process, with actions developed from the review findings.

Each of the Board's Committees review their performance annually or whenever there are major changes to the Committee structure. The performance and effectiveness of the Board Committees was evaluated as part of the internal Board assessment.

In accordance with the Board Charter, the Board regularly monitors the performance of senior executives and the implementation of strategy against measurable and qualitative indicators. The performance of the MD/CEO is evaluated and assessed by the Board each year. This process was followed in FY21.

The MD/CEO conducts performance reviews of nib senior executives (key management personnel) by comparing performance against agreed measures, examining the effectiveness and quality of performance of the individual, both as a divisional leader and in their individual capacity, and assessing whether various expectations of stakeholders have been met. Further information regarding senior executive performance against non-financial and financial performance criteria for FY21 is provided as part of the Remuneration Report (pages 21 to 42 of the Annual Report).

Company secretary

The Board Charter provides that the Company Secretary is accountable to the Board through the Chairman of the Board on all governance matters. All Directors have access to the Company Secretary. The responsibilities of the Company Secretary are set out in the Board Charter.

nib has entered into a Deed of Indemnity, Insurance & Access with each Company Secretary.

Values, conduct and policies

At nib we're guided by our nib Group values as outlined in our Corporate Governance Framework on page 3. These values are the foundation of how we behave and interact with each other, our members, travellers, suppliers, shareholders, regulators and other stakeholders. When viewed together, the nib Group values are intended to reflect the priorities of the business and provide guidance in decision making.

nib's core codes and policies, which apply to all employees are available in the Corporate Governance section on the nib website, nib.com.au/shareholders. Any material breaches of nib's codes and policies are reported to the Board in line with our incident management and reporting procedures.

nib has a Code of Conduct which applies to all Directors, officers, employees, contractors, consultants and associates of nib. The Code of Conduct sets out nib's ethical standards and rules and provides a framework to guide compliance with legal and other obligations to stakeholders. To support the Code of Conduct, in May 2021 nib developed an Ethics Framework weaving together our purpose, values and principles to establish a clear point of reference for employees when making decisions across the organisation.

nib's Human Rights Statement accounts our responsibility to protect the human rights of our members and travellers, our people, those in our supply chain and our wider community, as set out in the Universal Declaration of Human Rights.

We are working hard to continue to strengthen our ethical business practices, no matter where we operate in the world and published our first Modern Slavery Statement in November 2020 outlining the steps we have taken to identify, assess and mitigate modern slavery risks within our operations and supply chain. We reinforce this commitment to operating sustainably across our supply chain through our Supplier Code of Conduct which sets out the commitments and principles we expect of all our supply chain partners.

nib's Whistleblower Policy has been put in place to ensure our employees and others can raise concerns regarding any misconduct or improper state of affairs or circumstances (including unethical, illegal, corrupt or other inappropriate conduct) without being subject to victimisation, harassment or discriminatory treatment.

The Anti-Bribery Policy in alignment with nib's Code of Conduct and our values ensures that we observe the highest standards of fair dealing, honesty and integrity in our business activities.

nib's Diversity and Inclusion Policy sets out our approach to diversity and inclusion in the workplace (including gender diversity). In 2021, we published nib's Diversity and Inclusion Action Plan 2021-2023. Our Plan is a commitment to our employees and the communities in which we operate, which details our equity and inclusion actions and objectives.

nib was proud to launch our inaugural Reflect Reconciliation Action Plan (RAP) in October 2020, to learn and reflect on what it means to truly reconcile with our First Nations peoples. Our RAP was designed using the Reconciliation Australia framework to allow us to reflect on the histories of Aboriginal and Torres Strait Islander peoples, in a concerted effort to promote equality and justice in our communities.

The Board and management believe that nib's commitment to this policy and plans contributes to achieving nib's corporate objectives and embeds the importance and value of diversity and inclusion within the culture of nib.

Diversity and inclusion objectives and outcomes

We've maintained a strong focus on inclusion, gender representation, accessibility, heritage and culture as part of our recruitment and retention strategies, succession planning and support of career development for our employees across nib.

In October 2020, nib joined a prestigious line-up of leading global organisations after being recognised as one of the top 100 most diverse and inclusive organisations worldwide as part of Refinitiv's 2020 Diversity and Inclusion (D&I) Index. nib placed 87th globally and seventh in Australia – testament to nib's ongoing commitment to creating a safe and inclusive workplace, where every person is treated fairly, with respect and diversity of thought is encouraged.

As a relevant employer under the Workplace Gender Equality Act, nib publishes its 'Gender Equality Indicators' on the Workplace Gender Equality Agency website and on the Sustainability section of our website, nib.com.au/shareholders. At 30 June 2021, 62.6% of nib's total workforce was female.

The Board of nib is committed to achieving diversity in accordance with its Diversity and Inclusion Policy. Set out below are the current outcomes to the measurable objectives set by the Board.

Diversity and inclusion objectives and outcomes *continued*

Measurable Objectives	Outcomes as at 30 June 2021																				
<p>Ensure that employees and directors are selected from diverse candidate pools:</p> <ul style="list-style-type: none"> 40/40/20 gender mix in interviewing panels and shortlisted candidates for all management, executive and Board positions. 	<p>We expanded our definition of gender representation to encapsulate all gender identity categories, moving to a 40/40/20 target. This 40/40/20 ratio measures the percentage of individuals that represent in the following gender identifying categories: 40% male, 40% female and 20% any gender.</p> <p>Pleasingly, for all management, executive and Board positions a gender representation on interview panels of 40/40/20 was achieved.</p> <p>Whilst at this point in time we do not have gender diverse identifying employees in leadership positions, we will continue to actively promote nib as a diverse employer to ensure we attract gender diverse candidates and have made the appropriate system, policy and process changes to reflect our aspirations in this space.</p> <p>Progress at 30 June 2021 is indicated below:</p> <table border="1"> <thead> <tr> <th></th> <th>Male %</th> <th>Female %</th> <th>Gender Diverse %</th> <th>Target %</th> </tr> </thead> <tbody> <tr> <td>Total hires</td> <td>39%</td> <td>61%</td> <td>0%</td> <td>40/40/20</td> </tr> <tr> <td>Leadership Positions (external hire)</td> <td>50%</td> <td>50%</td> <td>0%</td> <td>40/40/20</td> </tr> <tr> <td>Leadership Positions (internal appointment)</td> <td>39%</td> <td>61%</td> <td>0%</td> <td>40/40/20</td> </tr> </tbody> </table>		Male %	Female %	Gender Diverse %	Target %	Total hires	39%	61%	0%	40/40/20	Leadership Positions (external hire)	50%	50%	0%	40/40/20	Leadership Positions (internal appointment)	39%	61%	0%	40/40/20
	Male %	Female %	Gender Diverse %	Target %																	
Total hires	39%	61%	0%	40/40/20																	
Leadership Positions (external hire)	50%	50%	0%	40/40/20																	
Leadership Positions (internal appointment)	39%	61%	0%	40/40/20																	
<p>Develop diverse leadership teams and talent pipelines by having 40/40/20 gender mix represented in the following role levels:</p> <ul style="list-style-type: none"> Manager and team leaders Heads of business units Executives 	<p>We specifically look at gender across all levels of nib Group and the following data is representative of our experience to date:</p> <table border="1"> <thead> <tr> <th></th> <th>Male %</th> <th>Female %</th> <th>Gender Diverse %</th> <th>Target %</th> </tr> </thead> <tbody> <tr> <td>Executives</td> <td>80%</td> <td>20%</td> <td>0%</td> <td>40/40/20</td> </tr> <tr> <td>Heads of business units</td> <td>59%</td> <td>41%</td> <td>0%</td> <td>40/40/20</td> </tr> <tr> <td>Manager and team leaders</td> <td>41%</td> <td>59%</td> <td>0%</td> <td>40/40/20</td> </tr> </tbody> </table> <p>This year has seen achievement of our 40/40/20 target for our business unit head and manager and team leader populations.</p> <p>Due to recent changes to our executive team, our target hasn't been met, however our succession pipelines are showing promising female diversity that has the potential to succeed these roles within the next five years.</p> <p>To ensure we are building gender diverse talent for the future, we specifically report on gender diversity across all executive and business unit head talent pipelines. Positively, we saw increased growth in female representation in talent pipelines for our business unit head and manager categories, which in time we hope to attribute to greater representation of future female talent in our executive team.</p>		Male %	Female %	Gender Diverse %	Target %	Executives	80%	20%	0%	40/40/20	Heads of business units	59%	41%	0%	40/40/20	Manager and team leaders	41%	59%	0%	40/40/20
	Male %	Female %	Gender Diverse %	Target %																	
Executives	80%	20%	0%	40/40/20																	
Heads of business units	59%	41%	0%	40/40/20																	
Manager and team leaders	41%	59%	0%	40/40/20																	
<p>Ensure female representation in Board positions by having at a minimum 3 females or gender diverse directors and a minimum 1 female or gender diverse member of the People and Remuneration Committee.</p>	<p>As at 30 June 2021 gender representation in Board positions and on the People and Remuneration Committee are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Gender Diverse</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>3</td> <td>3</td> <td>0</td> <td>3 female or gender diverse directors</td> </tr> <tr> <td>PARCO</td> <td>2</td> <td>2</td> <td>0</td> <td>1 female or gender diverse member</td> </tr> </tbody> </table>		Male	Female	Gender Diverse	Target	Board	3	3	0	3 female or gender diverse directors	PARCO	2	2	0	1 female or gender diverse member					
	Male	Female	Gender Diverse	Target																	
Board	3	3	0	3 female or gender diverse directors																	
PARCO	2	2	0	1 female or gender diverse member																	

Diversity and inclusion objectives and outcomes *continued*

Measurable Objectives	Outcomes as at 30 June 2021
<p>Provide our people with workplace flexibility by ensuring 100% of roles are open to part-time and flexible work arrangements.</p>	<p>The shift to distributed working, also known as Life at nib, has and continues to provide a rare opportunity to rethink work, redefine our thinking and explore new and better work experiences for our people. Empowering our employees to work outside of a traditional office environment enables us to be more flexible in providing our people with work/life balance opportunities that work for their individual circumstances.</p> <p>A series of principles have informed Life at nib, and at the heart of it is a focus on supporting flexibility and choice for our employees and encouraging diversity and inclusion. A Distributed Work Policy has been developed and published internally to outline the support available to employees. This Policy also includes a Distributed Work Allowance to contribute to the reasonable ongoing costs of working remotely, including maintaining a safe workspace, home internet usage, utilities and consumables. This policy and allowance enable our employees to customise their flexible working experience.</p> <p>The Flexible Work Policy continues to provide employees with the option of mutually beneficial flexible work arrangements. Managers continue to implement various flexible work arrangements with their teams, both formally and informally to support this objective.</p> <p>We have seen a decrease in formalised Individual Flexible Agreements (IFAs) from 108 at the end of FY20 to 87 at the end of FY21 that address a range of employee needs including:</p> <ul style="list-style-type: none"> • Providing support to employees returning from parental leave, 55% of our people used this instrument to successfully transition back into the workplace; • 21% of IFAs are put in place to assist employees who are balancing work commitments with carer responsibilities and require additional, formalised support to do so; and • In addition to supporting parental leave and caring responsibilities, IFAs are also put in place for employees for medical reasons (13%) and other reasons such as balancing work and study commitments (11%).
<p>Create an inclusive workplace culture with an overall engagement score >73% by 2023.</p>	<p>In November 2020, 1221 employees completed the Employee Experience and Inclusive Workplace Design Survey. Employee engagement remained consistent from 2019 to 2020 with our Group employee engagement score consistent at 69%, despite the workplace challenges associated with COVID-19.</p> <p>All executives have developed an Engagement Plan to continue to grow employee engagement within their division. This plan guides executives and their leadership teams to:</p> <ol style="list-style-type: none"> 1. Listen – reflect on the nib overall engagement results, division engagement levels as well as top 3 strengths and opportunities; 2. Learn – generate division specific insights on their employee’s experience and engagement; and 3. Act – capture simple yet impactful actions to enhance employee experience. <p>We are more than halfway through deploying our Leading Inclusively at nib program, with the remaining 44% of people leaders across nib Group ready to complete early next year. The purpose of this program is to highlight the ways unconscious bias can impact decision-making for our people leaders. This training was designed and delivered in partnership with Diversity Partners and provided participants with techniques to harness multiple perspectives to generate new ideas and solutions. Leaders understanding and mitigating their conscious and unconscious bias is an important foundation capability in creating an inclusive workplace culture.</p>

Diversity and inclusion objectives and outcomes *continued*

Measurable Objectives	Outcomes as at 30 June 2021
<p>Seek to reward people fairly by supporting a gender pay equity target of <5% by 2025.</p>	<p>There are many contributing factors to determine remuneration and reward outcomes including; complexity of role, skills and experience, education and qualifications and the unique value proposition each employee brings to nib.</p> <p>In the past 12 months, we have narrowed the gender pay equity gap across our business unit head population. This has been demonstrated by a favourable 5.1% basis point reduction in the average salary gap from 16.9% to 11.8%.</p> <p>Across our business unit head population, it is worth noting that the proportion of roles that are typically remunerated at a higher level are unique, due to their specialised and highly complex nature. There is currently a stronger representation of males in these roles, which is reflected in our data.</p> <p>We have developed several strategies to help drive greater gender pay equity outcomes including; dedicated budget provisions to correct any gender pay anomalies, continuing to differentiate pay outcomes based on high performers and potential and quarterly reporting of outliers and supporting actions to our People and Remuneration Committee.</p> <p>Whilst we have witnessed an uplift, it is important to note proactive monitoring and actions will continue to reach our objective by 2025.</p>
<p>100% of cultural awareness training completed across key leadership roles by 2022.</p>	<p>In April 2021 a review of Aboriginal and Torres Strait Islander cultural learning needs was conducted performing a learning needs analysis (LNA) across our Australian business in alignment with our Reflect Reconciliation Action Plan (RAP) Deliverable 7.2. The LNA has been informed by internal and external insights and contains learning recommendations for differentiated learning groups (employees, leaders, executive and RAP Committee members) based in Australia, including cultural awareness training.</p> <p>In New Zealand, 30 leaders and 80 employees graduated from the 10-week 'Cultural Coalition' Program (Whatua te Aho Tukurua) created and facilitated by Ngati Whatua Orakei. The Leaders graduation was held at the Ngati whatua Orakei marae facilitated by the iwi themselves, and the graduation was held at the nib office and included the full powhiri process led by our own leaders in conjunction with the program facilitators.</p> <p>This progress, is instrumental in developing greater organisational cultural competency and fluency across the Group.</p>



remuneration

The People and Remuneration Committee reviews remuneration of senior executives and Non-Executive Directors every year. Typically every second year, the Committee seeks guidance from independent remuneration consultants in relation to executive remuneration and market rates to assist it in making recommendations to the Board for nib's remuneration practices and the structure of Non-Executive Directors' remuneration and the remuneration of senior executives.

nib clearly distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.

Non-Executive Director Remuneration

Remuneration for Non-Executive Directors is fixed. Board and Committee fee rates are reviewed by the People and Remuneration Committee and approved by the Board. The total annual remuneration paid to Non-Executive Directors must not exceed the fee pool set by shareholders at the AGM. The current maximum annual remuneration was set at \$1.9 million per annum by shareholders in November 2017 (effective from 1 January 2018). Further information in relation to nib's remuneration practices for Non-Executive Directors is provided as part of the Remuneration Report (pages 21 to 42 of the Annual Report).

Senior Executive Remuneration

The remuneration of senior executives (who are key management personnel), including the MD/CEO, have the following remuneration components:

- base salary;
- statutory entitlements (including superannuation and long service leave, as applicable);
- a short-term incentive (subject to performance thresholds); and
- a long-term incentive (subject to performance thresholds).

Further information in relation to nib's remuneration policies and practices for senior executives and Non-Executive Directors is provided as part of the Remuneration Report (pages 21 to 42 of the Annual Report).

Trading policy

nib's Trading Policy, which is available on our website, nib.com.au/shareholders, prohibits key management personnel from:

- dealing in financial products designed to track, hedge or in any other way take a position associated with the future value of nib shares, including options, warrants, futures or other financial products issued over nib shares by third parties such as banks and other institutions; and
- entering into transactions in products associated with nib Securities which operate to limit the economic risk of their shareholding in nib (e.g. hedging arrangements). This extends to any hedging arrangements or other such transactions in respect of rights under a Plan.

Risk management framework

nib's Risk Management Framework (RMF) sets out our structured approach for managing nib's material risks. The RMF is a combination of both formal and informal elements including risk management systems, structures, policies, processes and the people operating them.

The Board and the Risk and Reputation Committee receive regular reports on key enterprise risks that may impact nib in delivering its business objectives. During FY21, management provided reports to support the Risk and Reputation Committee and the Board's assessment of the effectiveness of nib's risk management framework and the management of material business risks. In addition, the Audit Committee monitors the Group's financial risks and reports to the Board on the adequacy of the Group's internal controls as they apply to financial reporting, financial management systems, accounting and business policies to mitigate any material financial risks.

The Risk and Reputation Committee undertakes an annual review of nib's risk management framework (including a review of nib's Risk Appetite, Risk Management Strategy and Key Enterprise Risks) to ensure that nib's risk management framework continues to be effective and relevant to nib. During FY21, the Risk and Reputation Committee undertook an annual review of the risk management framework.

nib's exposure to environmental and social sustainability risks and further information on nib's sustainability practices and initiatives is provided in the 'Sustainability Report' available on nib's website, nib.com.au/shareholders.

Internal audit

nib's internal audit function for FY21 in Australia was performed by KPMG. The internal auditor provides an independent and objective internal audit review of nib's risks and key controls and how nib's processes and technology are operated and managed to provide the best outcomes for nib. nib's Internal Audit plan is developed using a risk-based methodology in consultation with the Risk and Reputation Committee, together with nib management to ensure alignment with identified key enterprise risks. Internal audit reviews performed also ensure nib identifies opportunities for process improvement.

Internal audit reports are considered at meetings of the Risk and Reputation Committee. Representatives from the internal auditors attend meetings of the Risk and Reputation Committee and the Audit Committee to present internal audit reports and answer questions from the Committees.



reporting, disclosure and communications

Integrity in corporate reporting

The Audit Committee assists and makes recommendations to the Board on nib's external audit function (including fees payable to the auditor for audit and non-audit work), the adequacy of nib's corporate reporting processes and the integrity of nib's financial statements and other material regulatory documents.

The Audit Committee Charter sets out the role and responsibility of the Audit Committee. In fulfilling its role, the Audit Committee:

- receives regular reports from management, the external auditors, the Appointed Actuary and, if required, the internal auditors;
- meets with external auditors and the Appointed Actuary on a regular basis and has issued a standing invitation to the external auditor to attend all meetings of the Audit Committee;
- reviews the processes that the MD/CEO and the Chief Financial Officer have in place to support their certifications to the Board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- meets separately with the external auditors and the Appointed Actuary at least twice a year without the presence of management; and
- provides the external auditors and the Appointed Actuary with a clear line of direct communication at any time to either the Chairman of the Audit Committee or the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to access employees, management, internal and external auditors and the Appointed Actuary.

Prior to the approval of nib's full year financial statements for the year ended 30 June 2021, the Board received a signed declaration from the MD/CEO and the Chief Financial Officer, pursuant to section 295A of the Corporations Act 2001 (Cth) (Corporations Act) including that the opinion of the MD/CEO and CFO had been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Periodic corporate reports released to the market which are not audited or reviewed by an external auditor follow an internal data verification process to ensure all information is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions. This process includes separation of duties and multi-level review and approval.

Continuous disclosure

nib has a Disclosure and Communication Policy and Disclosure and Materiality Guidelines to ensure compliance with the ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclosure.

The Disclosure and Communication Policy and Disclosure and Materiality Guidelines are provided to all officers, senior executives and relevant employees on their appointment and are disclosed on the nib website, nib.com.au/shareholders. nib has established a Disclosure Committee which is responsible for managing nib's disclosure obligations under the ASX Listing Rules. The Disclosure Committee comprises the MD/CEO, Group Chief Financial Officer, Group Executive – Legal and Chief Risk Officer (General Counsel and Company Secretary) and Head of Investor Relations.

nib is committed to providing relevant up-to-date information to its shareholders and other stakeholders in accordance with its obligations under the ASX Listing Rules and the Corporations Act. In meeting its continuous disclosure obligations, nib works to ensure that its announcements are presented in a factual, clear and balanced way and that all shareholders have equal and timely access to material information concerning nib. This includes disclosing new or substantive investor and analyst presentation materials on the ASX Market Announcements and on nib's website prior to the presentation occurring.

nib's Group Executive – Legal and Chief Risk Officer (General Counsel and Company Secretary), Group Chief Financial Officer and Head of Investor Relations have been nominated as the persons responsible for communications with the ASX. nib also ensures that its Board receives copies of all material market announcements promptly after they have been released.

Shareholder engagement

nib's Disclosure and Communication Policy sets out the way in which nib communicates to shareholders and encourages participation in general meetings.

The Board and management aim to ensure that shareholders are informed of all information necessary to fully assess nib's performance as required under the ASX Listing Rules. nib has a dedicated shareholder website that can be found at nib.com.au/shareholders. This website provides relevant information for shareholders in a dedicated place and in an easy-to-navigate manner, including particulars of the Directors and senior executives, copies of nib's Constitution, Board and Committee Charters, corporate governance policies and other policies, sustainability activities, copies of annual reports and financial statements. All information, including announcements to the ASX, is posted on the shareholder website soon after release to the market by the ASX.

nib prepares an annual investor relations strategy and program detailing how nib will communicate and engage with investors. This includes how nib will facilitate feedback from shareholders as well as opportunities and channels shareholders can use to communicate with nib on matters of concern or interest to them.

nib encourages shareholders to attend the AGM in person (pending COVID-19 restrictions) or virtually and use the opportunity to ask questions at the meeting. If a shareholder is unable to attend the AGM, the shareholder can appoint a proxy to attend and vote on their behalf/or use any other means as included in the notice of meeting. All voting at the AGM is decided by a poll.

Questions from shareholders can be lodged prior to the AGM by completing the relevant form accompanying the notice of meeting. nib responds in writing to any shareholder who submits a written question. Notices of meeting and accompanying explanatory notes aim to clearly, concisely and accurately set out the nature of the business to be considered at the meeting. nib places notices of general meetings and accompanying explanatory material on the nib website.

Due to the impacts of COVID-19, nib's 2020 AGM was a virtual meeting where shareholders were able to watch, listen to the business of the AGM and vote by webcast from the nib shareholder website. Pending further COVID-19 restriction, nib's 2021 AGM will be a virtual meeting. Further information on nib's 2021 AGM is available on the nib shareholder website, nib.com.au/shareholders.

nib shareholders can elect to receive their shareholder communications electronically. Electronic communications are actively encouraged to shareholders who currently receive communications in printed form. nib's shareholder website further enables shareholders to access information online.