



notice of  
meeting  
2021



## from the chairman

Dear Shareholder,

I am pleased to invite you to the 2021 nib Annual General Meeting (AGM).

Due to the COVID-19 pandemic continually evolving, the AGM will be held as a virtual meeting via an online platform on Thursday, 4 November 2021, commencing at 11:00am (AEDT). The AGM will be webcast from this time at [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm) and can be viewed live or as a recording following the AGM. Instructions detailing how to participate in the AGM are included in this Notice of Meeting.

The following Notice of Meeting contains details on the items of business for the AGM, as well as explanatory notes and voting procedures.

If you wish to cast a vote on the resolutions to be considered at the AGM or ask questions of the Chairman or Auditor, you can do so before the meeting by completing the enclosed voting or question forms. You can also cast a vote directly or ask a question during the meeting by participating online in accordance with the instructions in this Notice of Meeting.

Further information on the AGM is located on the inside back cover of this Notice of Meeting.

We look forward to seeing you online at our 2021 AGM.

Yours sincerely,



**David Gordon**  
Chairman



### NOTICE OF MEETING 2021

Due to the COVID-19 pandemic continually evolving, the AGM will be held as a virtual meeting via an online platform.

Date: Thursday, 4 November 2021

Time: 11:00am (AEDT)

Website: [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm)

# items of business

**Notice is given that the 2021 Annual General Meeting (“AGM”) of nib holdings limited (ACN 125 633 856) (“nib” or “Company”) will be held:**

Date: Thursday, 4 November 2021

Time: 11:00am (AEDT)

Website: [nib.com.au/shareholders/ags](http://nib.com.au/shareholders/ags)

## ORDINARY BUSINESS

### 1. Consideration of Reports

To receive and consider the Financial Report, the Directors’ Report and the Independent Auditor’s Report of nib and the entities it controlled (also known as the Group) for the financial year ended 30 June 2021.

Shareholders will be able to ask questions about, or comment on the reports, management and audit of the Group.

*There is no vote on this Item.*

### 2. Remuneration Report

To consider and, if thought appropriate, pass the following as an advisory ordinary resolution:

“That the Remuneration Report of the Company for the financial year ended 30 June 2021 (set out in the Directors’ Report) is adopted.”

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

### 3. Election of Mr Peter Harmer

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That Mr Peter Harmer be elected as a Non-Executive Director of the Company.”

### 4. Re-election of Ms Jacqueline Chow

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That Ms Jacqueline Chow be re-elected as a Non-Executive Director of the Company.”

## SPECIAL BUSINESS

### 5. Approval of participation in Long-Term Incentive Plan

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes the following is approved:

- participation in the nib Long-Term Incentive Plan (LTIP) by Mr Mark Fitzgibbon, Managing Director & Chief Executive Officer;
- acquisition accordingly by Mr Fitzgibbon of Performance Rights and in consequence of the vesting of those Performance Rights, of ordinary shares of the Company; and
- the provision of benefits to Mr Fitzgibbon under the LTIP, for the year commencing 1 July 2021,

in accordance with the terms of the LTIP (as approved by the Board and amended from time to time by the Board) and on the basis described in the Explanatory Notes to this Notice of Meeting.”

### 6. Amendments to nib’s constitution

To consider and if thought appropriate, pass the following resolution as a special resolution:

“That the constitution of nib be amended as set out in the document tabled at the AGM and described in the Explanatory Notes.”

## VOTING EXCLUSION STATEMENTS

### Item 2

For the purposes of sections 250R(2) and 250BD(1) of the Corporations Act 2001 (Cth):

1. subject to paragraph 2, a vote must not be cast (in any capacity) on the resolution in Item 2 by or on behalf of a member of the Company's key management personnel (including the Directors) (KMP), details of whose remuneration are included in the Remuneration Report or their closely related parties, whether as a shareholder or as a proxy except that a vote may be cast on the resolution in Item 2 by a KMP, or a closely related party of a KMP if:
  - the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 2; and
  - the vote is not cast on behalf of a KMP or a closely related party of a KMP.
2. if you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on the resolution in Item 2 on the voting form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution in Item 2 is connected directly or indirectly with the remuneration of a KMP of the Group, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of the resolution in Item 2.

### Item 5

For the purposes of section 250BD(1) of the Corporations Act 2001 (Cth):

1. a vote must not be cast on the resolution in Item 5 by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on the resolution in Item 5. However, this voting exclusion does not apply if the KMP is the Chairman of the AGM acting as proxy and their appointment expressly authorises the Chairman of the AGM to exercise the proxy even if the resolution in Item 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group; and
2. if you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on the resolution in Item 5 on the voting form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution in Item 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of the resolution in Item 5.

For the purposes of the ASX Listing Rules, the Company will disregard any votes cast in favour of the resolution in Item 5 by:

- a Director of nib who is eligible to participate in the LTIP; and
- an associate of that Director of nib who is eligible to participate in the LTIP.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the AGM to vote on the resolution as the Chairman of the AGM decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 14 September 2021

By Order of the Board



**Roslyn Toms**  
Company Secretary

## Notes

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate as well as an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of nib or in the capacity of a shareholder's proxy at general meetings of nib. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the voting form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies, when a resolution is decided on a show of hands, only the first person named on the voting form may vote. If two voting forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of nib.
5. As this year's AGM is being held virtually, votes may be cast directly by shareholders either before or during the live meeting, or via proxy. If you would like to vote directly, you may do so in one of the following two ways:
  - a) lodge a voting form before the AGM, by no later than 11:00am (AEDT) on Tuesday, 2 November 2021; or
  - b) lodge an online vote during the live AGM via the following link: [web.lumiagm.com](http://web.lumiagm.com) and entering the nib AGM meeting ID: 381 310 495
6. Shareholders who cast a vote on a resolution before the AGM by lodging a valid voting form will still be entitled to lodge a further direct vote on that resolution online during the live meeting, with the later vote overriding the earlier vote.
7. Either the original or electronic transmission of the voting form(s) and any Power of Attorney or authority under which they are signed must be received at least 48 hours prior to the AGM (i.e. by no later than 11:00am (AEDT) on Tuesday, 2 November 2021) or any adjournment. Any voting form received after this deadline, including at the AGM, will be invalid.
8. A voting form accompanies this Notice of Meeting allowing shareholders to appoint a proxy or utilise direct voting.
9. Additional voting forms will be supplied by the nib share registry on request.
10. An electronic voting facility is also available to shareholders via the nib shareholder website – [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm) or at [investorvote.com.au](http://investorvote.com.au)
11. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment must be lodged with the share registry prior to the AGM.
12. In accordance with Regulation 7.11.37 of the Corporations Regulations (Cth) and ASX Settlement Operating Rule 5.6.1, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7.00pm (AEDT) on Tuesday, 2 November 2021. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
13. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the question form that is included with this Notice of Meeting or lodge your question online at [investorvote.com.au](http://investorvote.com.au).
14. Either the original or electronic transmission of the question form or the online submission form must be received at least five business days prior to the AGM (by no later than 5.00pm on Thursday, 28 October 2021 or any adjournment). This is to allow time to collate questions and to prepare answers.
15. If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:
  - the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
  - if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - if the proxy is not the Chairman of the AGM, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
  - if the proxy is the Chairman of the AGM, the proxy must vote on a poll and must vote as directed.
16. There are some circumstances where the Chairman of the AGM will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman of the AGM as their proxy. This will be the case where:
  - the appointment of the proxy specifies the way the proxy is to vote on a particular resolution;
  - the Chairman of the AGM is not named as the proxy;
  - a poll has been called on the resolution; and
  - either of the following applies:
    - the proxy is not recorded as attending the AGM; or
    - the proxy attends the AGM but does not vote on the resolution.

Shareholders should consider directing their proxy how to vote on each resolution by crossing either the "For", "Against", or "Abstain" box when lodging their voting form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

## ORDINARY BUSINESS

### 1. Consideration of Reports

Section 317(1) of the Corporations Act 2001 (Cth) ("Corporations Act") requires a public company to lay before its annual general meeting the Financial Report, the Directors' Report and the Auditor's Report for the company for the financial year that ended before the annual general meeting.

Shareholders will be able to consider, comment on and ask questions of the Directors and the Auditor of the Company about the management of the Company, the conduct of the audit, and the preparation and contents of the financial statements and reports of the Company for the financial year ended 30 June 2021.

### 2. Remuneration Report

The Corporations Act requires listed companies to put a remuneration report relating to Director and Executive remuneration for each financial year to a resolution of members at each annual general meeting. The Remuneration Report for the Group for the financial year ended 30 June 2021 is set out on pages 22 to 43 of the Company's Annual Report and is also available on the Company's website [nib.com.au/shareholders](http://nib.com.au/shareholders).

Under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders will be able to ask questions about, and make comments on, the Remuneration Report at the AGM.

The Directors unanimously recommend that shareholders vote in favour of this ordinary resolution to adopt the Remuneration Report.

### 3. Election of Mr Peter Harmer



Mr Peter Harmer was appointed by the Board as an Independent Non-Executive Director of nib holdings limited in July 2021 pursuant to nib's constitution (Constitution), which allows the Board to appoint a Director to fill a casual vacancy or to appoint a Director as an additional Director to the Board.

Peter retires in accordance with the Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director. He is also a Director of nib health funds limited. Peter is a member of the Risk and Reputation Committee, People and Remuneration Committee, Investment Committee and Nomination Committee.

Peter has over 40 years' experience in the Australian and international insurance and financial sectors, including over 30 years in a senior executive capacity.

Peter was formerly Chief Executive Officer of Insurance Australia Group (IAG), CGU Insurance, Aon Limited UK, Aon Risk Services Australia Pacific and Aon Re Australia and has successfully lead business' growth agendas, major acquisitions, and industry roll-ups. Prior to his role as Chief Executive Officer at IAG, he took up a secondment role as Chief Digital Officer to help drive IAG's digital strategy.

He is a Director of Commonwealth Bank of Australia, AUB Group Limited, and Lawcover Pty Ltd, a member of the Advisory Council for Bain & Company and Executive Mentor with Merrick & Co ANZ.

The Board (with Mr Peter Harmer abstaining and not voting) supports the election of Mr Peter Harmer and recommends that shareholders vote in favour of this ordinary resolution.

### 4. Re-election of Ms Jacqueline Chow



In accordance with the ASX Listing Rules and the Constitution, Ms Jacqueline Chow retires from office at the AGM and, being eligible for re-election, offers herself for re-election as a Non-Executive Director.

Jacqueline was appointed to the Board of nib holdings limited in April 2018. She is also a Director of nib health funds limited. Jacqueline is Chairperson of the Risk and Reputation Committee and a member of the Audit Committee, Nomination Committee, People and Remuneration Committee and Investment Committee.

Jacqueline has more than 20 years' experience working with global blue-chip consumer product multinationals in a range of executive and non-executive positions in general management, strategy, marketing as well as technology and innovation.

Jacqueline is currently a director of Coles Group Limited and Charter Hall Group, a director of the Australia-Israel Chamber of Commerce, senior advisor with McKinsey & Company RTS and a member of Chief Executive Women.

The Board (with Ms Jacqueline Chow abstaining and not voting) supports the re-election of Ms Jacqueline Chow and recommends that shareholders vote in favour of this ordinary resolution.

## SPECIAL BUSINESS

### 5. Approval of participation in Long-Term Incentive Plan

#### Approval Sought

nib seeks shareholder approval for Mr Mark Fitzgibbon, Managing Director & CEO, to participate in the LTIP via a grant of Performance Rights from July 2021 (with a four-year vesting period).

#### Background

The LTIP forms part of nib's remuneration strategy. The LTIP is designed to align the interests of Executives and shareholders and to assist nib in the attraction, motivation and retention of Executives. In particular, the LTIP provides Executives with an incentive for future performance, thereby encouraging those Executives to remain with and contribute to the future performance of nib.

Under the LTIP, eligible persons participating in the LTIP may be granted performance rights on terms and conditions determined by the Board from time to time (Performance Rights).

A Performance Right is a right to acquire a share in nib, subject to the satisfaction of applicable vesting conditions including the achievement of Board-determined performance hurdles.

In 2008, nib adopted the LTIP and the LTIP Rules (LTIP Rules). The LTIP Rules were most recently amended on 25 July 2018. A summary of the LTIP Rules, which apply to Performance Rights granted to Mr Fitzgibbon and others from July 2018, is set out in the Schedule to these Explanatory Notes.



## Overview of awards to Mr Mark Fitzgibbon

Performance Rights are awarded to Mr Mark Fitzgibbon (Managing Director & CEO) on an annual basis at the discretion of the Board (and subject to any required shareholder approvals). The Performance Rights for each annual award are granted in two tranches of equal value.

The Performance Rights proposed to be issued will have a four-year performance period (from 1 July 2021 to 30 June 2025) (Performance Period).

### Vesting conditions

The Performance Rights will vest in accordance with the achievement of the following vesting conditions:

Vesting Condition 1	Vesting Condition 2
50% of the Performance Rights ("Tranche 1")	50% of the Performance Rights ("Tranche 2")
Total Shareholder Return (TSR) targets for the relevant Performance Period are met (TSR Hurdle)	Statutory earnings per Share (EPS) growth targets for the relevant Performance Period are met (EPS Hurdle)

The TSR Hurdle and the EPS Hurdle have been chosen by the Board to focus management attention on four-year strategic and financial objectives, as well as shareholder alignment.

### TSR Hurdle

The TSR Hurdle measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for the Tranche 1 Performance Rights to vest, the TSR of nib is compared to companies in the S&P/ASX 200 (which nib forms part of) as at the commencement of the relevant Performance Period. For the purpose of calculating the TSR measurement, the security prices (plus cash distributions notionally reinvested in securities) of each comparator company in the S&P/ASX 200 and of nib will be averaged over the 20 consecutive ASX trading days preceding the start date and end date of the relevant Performance Period.

The percentage of Tranche 1 Performance Rights that vest will be as follows:

nib's TSR performance compared to the relevant peer group	Percentage of Tranche 1 Performance Rights to vest
< 50th percentile	No vesting
≥ 50th percentile to 74th percentile	Pro-rata straight line vesting between 50% and 74%
≥ 75th percentile	100% vesting

### EPS Hurdle

Prior to FY20, the principle used in setting the EPS Hurdle was to use nib's prior financial year's EPS as a base and apply a range of compound annual growth rates in EPS from 3.0% to 9.0%, which in turn determined the percentage of Tranche 2 Performance Rights that would vest at the end of the relevant Performance Period, depending on the compound annual growth rate in EPS achieved.

For the FY20 LTIP grant, hurdle rates were increased significantly to 8.0% – 14.0% due to FY19 being a low EPS base year, as detailed in nib's 2020 Notice of Meeting.

FY21 is considered a high EPS base year due to the impacts of COVID-19 (COVID provision and risk equalisation) and the higher than usual investment income. For this reason, the Board has determined the EPS base for the FY22 LTIP grant using the average of the EPS in FY20 and FY21. This approach is considered appropriate to ensure the LTIP incentivises Executives through meaningful and achievable targets, while continuing to drive long-term shareholder value.

The EPS Hurdle base for the Performance Period is 27.5 cents per share, being the average of nib's FY20 EPS, which is calculated based on net profit after tax (NPAT) of \$89.2 million<sup>1</sup> and nib's FY21 EPS, which is calculated based on NPAT of \$160.5 million.

The EPS Hurdle for the Performance Period will be determined in accordance with the principles set out in the table below (with the Board setting the EPS hurdles annually):

Percentage of Performance Rights vesting	EPS Hurdle
100%	Compound annual growth rate of 9.0% (equates to FY25 EPS of \$0.388)
75%	Compound annual growth rate of 7.0% (equates to FY25 EPS of \$0.360)
50%	Compound annual growth rate of 5.0% (equates to FY25 EPS of \$0.334)
25%	Compound annual growth rate of 3.0% (equates to FY25 EPS of \$0.310)
0%	Nil

Notes:

- For the purpose of calculation, 25% and 50% will be discrete thresholds (e.g. performance will be assessed at 25% for EPS greater than or equal to \$0.310 but less than \$0.334, with performance above the 50% entitlement calculated on a pro rata basis to a maximum entitlement of 100%).
- No Performance Rights will vest if the compound annual growth rate is below 3.0%.

The EPS Hurdle will be tested at 30 June 2025 and the percentage of Performance Rights that will vest on 1 September 2025 will be calculated in accordance with the criteria set out in these Explanatory Notes.

### Number of Performance Rights

The number of Performance Rights to be granted to the Managing Director & CEO for FY22 is calculated as follows:

$$\frac{125\% \times \text{TFR}}{\text{Strike Price}}$$

TFR = the Managing Director's total fixed remuneration for FY22 (being base salary plus superannuation).

Strike Price = Volume weighted average price (VWAP) for nib shares for the first 10 trading days following the announcement of the full year financial results for FY21, which is \$6.6515.

If approved by shareholders, the number of Performance Rights to be granted to Mr Fitzgibbon for FY22 is calculated as follows:

$$\frac{125\% \times \$1,172,000}{\$6.6515} = 220,251 \text{ Performance Rights}$$

1. For the purpose of determining the EPS base for the FY22 LTIP grant, the originally reported FY20 NPAT of \$89.2 million has been used rather than the restated FY20 NPAT of \$87.0 million reported in the FY21 Annual Report. This is consistent with the FY20 NPAT used for the FY21 LTIP grant.

## ***Delivery of Shares on Vesting of Performance Rights***

Mr Fitzgibbon will receive one share for every vested Performance Right, subject to the LTIP Rules, and the Company may elect whether to allocate shares for the purpose of the LTIP by way of an issue of shares or by procuring the on-market purchase and transfer of shares. The Company currently proposes that it will satisfy its obligations to allocate shares for the purpose of the LTIP by arranging for the on-market purchase and transfer of shares to Mr Fitzgibbon after the testing of the particular performance hurdles.

A two-year non-disposal period applies to 50% of the shares allocated to Mr Fitzgibbon on vesting of the Performance Rights.

## ***Participation in the LTIP by Mr Fitzgibbon***

nib seeks shareholder approval for Mr Fitzgibbon, Managing Director & CEO, to participate in the LTIP for the financial year from 1 July 2021 to 30 June 2022, with the number of Performance Rights to be awarded to Mr Fitzgibbon to be calculated in accordance with the formula set out in this Notice of Meeting.

It is proposed that the performance hurdles for Mr Fitzgibbon will be applied to any other offer of Performance Rights to nib's KMP, unless the Board determines otherwise. Details relating to the performance hurdles will be set in the same manner as outlined in relation to Mr Fitzgibbon, unless the Board determines otherwise.

## ***Further Information***

Listing Rule 10.14 provides that a listed company may only permit a director to acquire shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders. It is the Board's current intention that if the Performance Rights vest, shares will be acquired on-market for the purposes of the LTIP.

The Board wishes to seek approval for the acquisition of Performance Rights and shares by the Managing Director & CEO under the LTIP as discussed in these Explanatory Notes.

In accordance with the Listing Rules, the following information is provided for shareholders:

1. the details (including the amount) of Mr Fitzgibbon's current total remuneration package are as follows:
  - Total fixed remuneration (TFR): \$1,172,000
  - Potential short-term incentive: 125% of TFR
  - Potential long-term incentive: 125% of TFR
2. the maximum number of Performance Rights for which approval is sought will be calculated as described above and will be provided to shareholders in the relevant Annual Report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14;

3. the Performance Rights will be granted at no cost to Mr Fitzgibbon and the Board has determined that no amount is payable by Mr Fitzgibbon on the vesting of each Performance Right granted under the LTIP;
4. no loan will be made by nib in connection with the acquisition of Performance Rights or shares by Mr Fitzgibbon under the LTIP;
5. Mr Fitzgibbon has previously received a total of 3,830,648 Performance Rights under the LTIP with an acquisition price of nil, of which 2,424,646 have vested; and
6. no Performance Rights will be granted under this approval later than three years after the date of the AGM.

## ***Recommendation***

The Board (with Mr Fitzgibbon abstaining and not voting) recommends that shareholders vote in favour of the ordinary resolution in Item 5 on the basis that the overall remuneration of Mr Fitzgibbon, which includes his participation in the LTIP, is reasonable having regard to the Company's circumstances and that the grant of Performance Rights to Mr Fitzgibbon under the LTIP and on the terms described in these Explanatory Notes:

- is in the best interests of the Company as a whole; and
- is consistent with the Company's remuneration policy, in particular the Company's policy of linking remuneration to achievement, and the objective of attracting and retaining highly-skilled Executives.

## **6. Approval to amend nib's Constitution**

Why is it proposed that nib's Constitution be amended?

Given the evolving situation in relation to COVID-19 and the need for flexibility regarding the holding of meetings, a number of amendments to the Constitution are proposed to ensure that:

- the Board is able to quickly respond to situations (such as COVID-19) and move the place of meetings, change the time of meetings and notify members electronically of those changes;
- nib is able to hold meetings fully electronically if required; and
- the chairman is able to make appropriate decisions prior to or during a meeting if a change is required to a venue for the meeting or if a disruption occurs.

A copy of the proposed amendments to the Constitution is available at [nib.com.au/shareholders/company-profile/corporate-governance](http://nib.com.au/shareholders/company-profile/corporate-governance).

If you would like a copy of the proposed amendments mailed out to you, please call +61 2 7208 8435.

## ***Recommendation***

The Board recommends that shareholders vote in favour of the special resolution in Item 6 on the basis set out above.



# schedule

## SUMMARY OF THE LTIP RULES

A grant of performance rights is subject to both the LTIP Rules and the terms of the specific grant as determined by the Board. The Board is responsible for administering the LTIP in accordance with the LTIP Rules and the terms and conditions of specific grants of performance rights to participants in the LTIP.

### Eligibility and Participation

The Board may determine which persons are eligible to participate in the LTIP from time to time. Eligible persons may be invited to apply to participate in the LTIP. The Board may, in its discretion, accept such applications.

### Performance Rights

A person participating in the LTIP (“Executive”) may be granted performance rights on terms and conditions, including tenure conditions and performance hurdles, determined by the Board. A performance right has a nil exercise price and is exercised automatically on vesting unless determined otherwise by the Board.

### Consideration for Grant

The Board may determine the amount (if any) payable for the grant of a performance right from time to time.

### Vesting

Following the satisfaction of the performance hurdles applying to a performance right, the performance right vests on a date predetermined by the Board (“Vesting Date”).

### Accelerated Vesting at Board’s Discretion

The Board may, in its discretion, decide to accelerate the vesting of all or part of the performance rights held by an Executive if there is a winding up of the Company, a delisting of the Company, a change of control, reconstruction or amalgamation of the Company, death of a participant or a cessation of employment as a result of total disablement, redundancy or retirement.

### Delivery of Shares on Vesting of Performance Rights

Following the Vesting Date or the accelerated vesting of a performance right, the Executive will be allocated or issued the number of shares comprised in each performance right.

The Board has the discretion to have shares issued or transferred to an Executive on vesting of performance rights. Any shares issued or allotted under the LTIP will rank equally with those shares of the same class for the time being on issue, except for any rights attaching to those shares by reference to a record date prior to the date of issue or allotment.

## Lapse

An unvested performance right will lapse on the earliest of:

- a) the expiry date applicable to that performance right;
- b) the Board determining that the vesting conditions in respect of the performance right are not satisfied and not capable of being satisfied on the relevant testing date and that the performance right has lapsed;
- c) the Board making a determination in accordance with the terms and conditions of grant of the performance rights that the performance right has lapsed;
- d) the date the Executive ceases to be employed by nib or a company in the Group due to being a “bad leaver” (being an Executive who ceases employment with nib or a company in the Group by reason of summary dismissal, resignation (other than a mutually agreed separation) and any other reason the Board determines creates a “bad leaver” (other than a reason specified in e below)), unless the Board determines otherwise;
- e) the date the Executive ceases to be employed by nib or a company in the Group due to:
  - i. death;
  - ii. total and permanent disablement;
  - iii. retirement;
  - iv. redundancy; or
  - v. mutually agreed separation,

in which case a pro rata number of each tranche of that Executive’s unvested performance rights (calculated in accordance with the LTIP Rules) will lapse 30 days after the date the Executive ceases employment and the balance of the Executive’s unvested performance rights will continue to be held by the Executive subject to the terms and condition of the grant of the performance rights and the LTIP Rules, unless the Board determines otherwise; or

- f) the Board determining that the Executive has committed (or it is evident that the Executive intends to commit) any act (whether by omission or commission) of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Executive’s duties, the Executive is convicted of a criminal offence (other than minor/trivial offences) or is guilty of wilful or recklessly indifferent conduct which may injure the reputation or business of an nib entity, the Executive has breached a confidentiality or non-compete obligation, or the Executive has been involved or contributed to a material financial misstatement and that the performance right has lapsed.

### Clawback

If the Board becomes aware of a material financial misstatement, that the Executive has committed (or it is evident that the Executive intends to commit) any act (whether by omission or commission) of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Executive's duties, the Executive is convicted of a criminal offence (other than minor/trivial offences) or is guilty of wilful or recklessly indifferent conduct which may injure the reputation or business of an nib entity, the Executive has breached a confidentiality or non-compete obligation, and the Board determines that a Performance Right which has been awarded to an Executive or become a vested Performance Right would not have been awarded or become a vested Performance Right if the Board had been aware of the material financial misstatement at the time the Performance Right was awarded or became a vested Performance Right, the Board may (in its absolute discretion):

- a) lapse or cancel the Performance Right (including a vested Performance Right); or
- b) require the Executive to transfer to the Company's nominee, for nil consideration, any shares which the Executive has received in respect of the vested Performance Right or to pay to the Company the sale proceeds of any shares.

### Adjustment

In the event of any capital reorganisation by the Company (including any bonus issues), an Executive's performance rights, and the shares allocated to the Executive on vesting of the Executive's performance rights, will be adjusted as set out in the LTIP Rules and otherwise in accordance with the Listing Rules. In general, it is intended that the Executive will not receive any advantage or disadvantage from such adjustment.

### Restrictions on Disposal of Shares

An Executive may not dispose of, deal in, or grant a security interest over any interest in, a share allocated to the Executive on the vesting of a performance right for any relevant period determined by the Board. The Board may implement such arrangements (including a holding lock) as it determines are necessary to enforce this restriction. Once the restriction is removed, and subject to the Company's Trading Policy, shares acquired on the vesting of performance rights may be dealt with freely.

## enclosures

Enclosed with the Notice of Meeting are:

- i. a voting form to be completed if you would like to be represented at the AGM by proxy. An electronic voting facility is also available to shareholders via the nib shareholders website – [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm);
- ii. an AGM question form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM. You may also submit your questions online at [investorvote.com.au](http://investorvote.com.au) and there will be an opportunity to ask questions during the AGM via the webcast; and
- iii. a reply paid envelope for you to return either or both of the voting form and AGM question form.

### FURTHER INFORMATION

Due to the COVID-19 pandemic continually evolving, the AGM will be held as a virtual meeting via an online platform on Thursday, 4 November 2021, commencing at 11:00am (AEDT). The AGM will be webcast from this time at [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm) and can be viewed live or as a recording following the AGM.

There are a number of ways to participate in the AGM:

**online:** shareholders and proxyholders are encouraged to participate in the AGM online, which will allow them to view a live webcast, ask questions and vote.

**teleconference:** for shareholders and proxyholders who are unable or do not wish to access the AGM online, this will allow them to listen to the AGM live and ask questions on the telephone, but not vote.

**webcast:** for viewing the AGM live however it does not provide for asking questions or voting.

### Live online participation (including voting)

Shareholders and proxyholders who choose to participate online will be able to view the live webcast of the AGM, ask questions online and vote in real time.

To participate online visit [web.lumiagm.com](http://web.lumiagm.com) on a smartphone, tablet or computer and enter the nib meeting ID 381 310 495. You will need the latest versions of Chrome, Safari, Edge or Firefox. An online voting user guide is available at [computershare.com.au/onlinemeetingguide](http://computershare.com.au/onlinemeetingguide).

Appointed proxies can receive their username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period.

Online registration will open at 10:00 am (AEDT) on Thursday, 4 November 2021 (one hour before the AGM).

### Voting prior to the AGM – direct voting, proxy voting and proxyholder participation

Shareholders are able to cast a direct vote prior to the AGM by either returning the enclosed voting form or casting their vote online at [investorvote.com.au](http://investorvote.com.au). To be valid, votes must be cast and received by nib no later than 11:00am (AEDT) on Tuesday, 2 November 2021.

Alternatively, shareholders may submit a proxy vote online ahead of the AGM. Proxy votes can be lodged at [investorvote.com.au](http://investorvote.com.au).

### Questions

Please note, during the live AGM only shareholders may ask questions online and on the telephone once they have been verified. It may not be possible to respond to all questions.

Shareholders may also lodge questions prior to the AGM by lodging their questions online at [investorvote.com.au](http://investorvote.com.au) or by mailing the enclosed Questions from Shareholders form so it is received by no later than 5:00pm (AEDT) on Thursday, 28 October 2021.

### Dial in details

Shareholders and appointed proxies who are unable or do not wish to access the AGM online can dial into the teleconference and will be able to listen to the AGM live and ask questions on the telephone. Participants cannot vote using the teleconference facility. Teleconference details are:

Australia: 1800 148 258 (toll-free)

New Zealand: 0800 667 018

International: +61 2 8038 5291

Conference ID: 6694780

Once you have dialled into the teleconference, please follow the prompts to ask a question.

Please be advised that this AGM will be broadcast over the internet to the public. Your attendance and questions may be visible to others. By asking a question, you acknowledge that other persons viewing or attending the AGM will be able to see that you have asked a question, and nib is permitted to broadcast that question and its responses.

nib's 2021 Annual Report and Shareholder Review is available to view online at [nib.com.au/shareholders](http://nib.com.au/shareholders).

If you would like any further information about nib's AGM, please visit [nib.com.au/shareholders/agm](http://nib.com.au/shareholders/agm), call 1300 664 316 or email [nibshareregistry@computershare.com.au](mailto:nibshareregistry@computershare.com.au).



[nib.com.au](http://nib.com.au)