

Risk and Reputation Committee Charter

nib holdings limited ABN 51 125 633 856 and all related entities within the nib Group (“nib”) or (“the nib Group”)

Dated 22 December 2009

Risk and Reputation Committee Charter

1 Authority

1.1 Authority

The Risk and Reputation Committee has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of the Board of nib granted to it from time to time.

1.2 nib Group

In carrying out its role the Risk and Reputation Committee acts as Risk and Reputation Committee of nib holdings limited and all related entities within the nib Group and must have regard to the individual requirements of each entity as well as the overall requirements of the nib Group.

2 Role of the Committee

The Committee is to assist the Board by making recommendations to the Board on:

- (a) nib's internal audit function including:
 - (i) the appointment, remuneration, independence and competence of the nib's internal auditors;
 - (ii) the annual internal audit plan;
 - (iii) management's responses to the internal auditor's findings and recommendations;
- (b) nib's system of risk management including:
 - (i) the effectiveness of nib's risk management framework having regard to nib's risk management culture;
 - (ii) the identification and assessment of the material risks facing the Company considered against nib's risk appetite;
 - (iii) the systems and procedures for compliance with applicable legal and regulatory requirements (other than compliance obligations monitored by the Audit Committee); and
 - (iv) the appropriate level of reporting on the performance and application of the risk management system throughout nib
- (c) the social, environmental and ethical impacts of nib's business practices and recommending standards for social, environmental and ethical practices.

3 Membership

3.1 Composition and size

The Committee will consist of at least 3 members of whom all must be non-executive directors and a majority of which are independent directors. Appointments and resignations are decided by the Board.

3.2 Chairperson

The chairperson of the Committee is appointed by the Board and must be an independent non-executive director who is not the chairperson of the Board.

Where the Committee chairperson is not present at a meeting, the Committee may elect a chairperson for the meeting.

3.3 Technical expertise

The Committee must be structured so that some members have an understanding of the industry in which nib operates.

3.4 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities. Each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

3.5 Secretary

The company secretary and his/her nominee is the secretary of the Committee.

4 Committee meetings and processes

4.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in nib's Company's constitution in so far as they are applicable and not inconsistent with this charter. The Committee will meet as frequently as required to undertake its role effectively.

4.2 Quorum

Two directors constitute a quorum for meetings of the Committee.

4.3 Access to information and advisors

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access nib's documents and records;
- (c) subject to prior approval of expenditure, obtain the advice of special or independent counsel, accountants or other experts; and
- (d) access management and internal and external auditors.

4.4 Minutes

The secretary will keep minute books to record the proceedings and resolutions of its meetings.

5 Committee's performance evaluation

The Committee will review its performance annually and whenever there are major changes to the management structure of nib.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this charter.

6 Review and publication of charter

The Board will review this charter to ensure it remains relevant to the current needs of nib. The charter may be amended by resolution of the Board.

The charter is available on the nib website at www.nib.com.au and the key features are published in the annual report.

Approved by the Board on 22 December 2009