

Audit Committee Charter

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

Dated 28 April 2011

Audit Committee Charter

1 Authority

1.1 Authority

The Audit 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 from time to time.

1.2 nib Group

In carrying out its role the Audit Committee acts as Audit 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 external audit function including:
 - (i) the appointment, remuneration, independence and competence of the nib's external auditors;
 - (ii) the scope and plan for the annual external audit with emphasis on particular areas of risk; and
 - (iii) management's responses to the external auditor's findings and recommendations.
- (b) the integrity of the nib's financial statements and other material regulatory documents including:
 - (i) the compliance with relevant financial reporting standards, regulatory financial reporting requirements and ASX listing obligations;
 - (ii) the appropriateness of accounting policies adopted by nib; and
 - (iii) the processes and documentation supporting significant estimates and areas of judgement in financial reports.
- (c) nib's systems and procedures for compliance with applicable legal and regulatory requirements (other than the operational compliance obligations monitored by the Risk and Reputation Committee);

- (d) monitoring solvency and compliance with nib's Capital Management Plan and, to the extent relevant, the Capital Management Plan of any individual entity within the nib Group; and
- (e) the propriety of related party transactions.

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. Membership changes 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 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 at least one member is an accountant or financial professional with experience of financial and accounting matters, and some members have an understanding of the industry in which nib operates.

3.4 Skills development

If the Board chairperson approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at nib's expense.

3.5 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.

3.6 Secretary

The company secretary or 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 the constitution of nib holdings limited insofar as they are applicable and not inconsistent with this charter.

4.2 Frequency and calling of meetings

The Committee will meet as frequently as required to undertake its role effectively, and in any case at least twice a year. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the

external auditor, the appointed actuary, internal auditor or the chairperson of the Board.

4.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

4.4 Attendance by management and advisors

The Managing Director/Chief Executive Officer and Chief Financial Officer are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors and appointed actuary.

The chairperson may also invite directors who are not members of the Committee, other senior executives and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

4.5 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, without seeking approval of the Board or management; and
- (d) access management, internal and external auditors and the appointed actuary.

4.6 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 the nib Group. 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 28 April 2011