Start of transcript

David Gordon: Good morning, ladies and gentlemen. My name is David Gordon and I'm the chairman of nib Group. I welcome you to Sydney to our 19th annual general meeting. I also welcome those who have joined us online and by phone. Today's meeting is taking place on Gadigal Land where First Nations people have met for thousands of years. Everyone who is born or lives in this country does so today on the land of traditional owners. We acknowledge those people who came before us and their legacy by conducting our current business with respect and understanding. I'd therefore like to recognise the traditional owners of the land on which we meet today, the Gadigal people of the Eora nation, and pay respect to elders past and present. And now I'd like to welcome my fellow director, Brad Welsh, who will deliver an acknowledgement to country.

Brad Welsh: Thank you, David. Good morning, everyone. I'd like to start by acknowledging the Gadigal people of the Eora Nation, the traditional owners of the land we meet on today. I'm a Muruwari man and my country is a long way northwest of here. So when I acknowledge the Gadigal this morning, I do it as a visitor on their country, the same as most people in this room. When the First Fleet arrived here in 1788, it did not arrive into an empty place. It arrived in the middle of someone else's economy. It arrived in the middle of someone else's... Sorry. The Eora people lived across this harbour with their own trade routes, their own food systems, and knowledge of this country built up over thousands of years. The new arrivals had none of that. Their seed stock was eaten by pests on the voyage. The first wheat never came up.

The soil in the cove was wrong for growing. The flour was full of weevils and the cattle wandered off into the bush and were given up for lost. The colony sent a ship to Cape Town for food. It took seven months to come back and it came back with four months of supplies. In the language of this room, the venture was insolvent.

So Governor Phillip went and asked the Eora for help. They gave it food, kangaroo meat, knowledge of country, and the fishing grounds that the settlers could not find. A naval surgeon wrote at the time that the local people here would give a stranger fish, fire, and water. It cost the Eora dearly, smallpox, dispossession, and a gap in health and life expectancy that's still open today. I do not raise that for guilt. None of us were there. I raise it because of what the Eora did. They met strangers who were sick and starving and they took responsibility for their health and wellbeing. That is our purpose at nib, your better health and wellbeing. It was practised in its oldest form right here on this ground by the people on whose land we're standing. The nib board and our team pay our respects to the Gadigal people and their elders past and present, and we thank them for what they gave a colony that would not have survived without their help. Thank you.

David Gordon: Thanks, Brad. It has now gone past 9:30 here in Sydney and the company secretary has advised me that a quorum is present, and as such, I formally declare the meeting open. Before we start our official proceedings, I'd like to ask that all mobile phones be turned to silent or turned off. If you wish to use your phone, please leave the room so as not to disrupt proceedings. Now I'd like to introduce the nib representatives who are joining us here today. First, my fellow non-executive directors, Jacqueline Chow, Anne Loveridge, Jill Watts, Peter Harmer, Brad Welsh, and Hisham El-Ansary. And joining us from nib's senior executive team, pardon me, our chief executive officer and managing director, Ed Close, General Counsel and Company Secretary Jordan French, and Group Chief Financial Officer Nick Freeman. Also joining us today are members of nib's executive team, representatives from nib's external lawyers, Ashurst, our share registry, Computershare, and our auditors, PricewaterhouseCoopers.

We also welcome chair of the nib Foundation, Venessa Wells. Shortly, Ed will provide an overview of this financial year and a summary of nib's key strategic objectives for the year ahead. Following Ed's presentation, I'll lead us through the items of business for this meeting. But first, I'd like to report on nib's performance for the 2026 financial year.

As Brad just mentioned, our purpose is simple, your better health and wellbeing. Our vision is to lead private health insurance and support services across Australia and New Zealand, reshaping the industry through bold innovation, strategic disruption, and trusted partnerships. We deliver this in three ways. We protect customers with accessible, affordable health and financial peace of mind. We connect them to trusted providers and partners, making their journey simpler, and we empower them with the insights, tools, and support to take control of their health, wellbeing, and financial future. Throughout the year, nib operated in a complex environment. Cost of living pressures remained front of mind for households, healthcare costs stayed elevated, regulatory expectations continued to evolve, and technology moved quickly. Against that backdrop, nib remained focused on disciplined execution, strengthening our core health insurance businesses, delivering value for customers, and investing selectively in the capabilities that will support long-term growth.

Across Australia and New Zealand, nib now supports almost two million private health customers. I'm pleased to report that nib delivered disciplined growth and continued progress in helping customers access and navigate healthcare with confidence. Our Australian residents health insurance business achieved record sales and net policyholder growth of 1.9%, reflecting continued demand for private health insurance and the strength of our proposition. In Australia, we supported over 400,000 hospital admissions and $1.7 billion in benefits paid, and more than four and a half million ancillary visits with more than $650 million in benefits paid. Through our health services businesses, more than 22,000 customers enrolled in health management programmes and we facilitated more than 150,000 telehealth consults. Through nib Thrive, we continue to support more than 40,000 NDIS participants in a sector undergoing important reform. These outcomes reflect the importance of private health insurance in supporting access to care, providing financial protection when people need treatment, and helping take pressure off the broader health system.

Affordability and access remains central issues for private health insurers. Customers expect value, certainty, and support when they need care. At the same time, hospitals and healthcare providers are managing higher costs and changing models of care. Our responsibility is to help balance these interests by keeping premiums as affordable as possible, supporting sustainable provider relationships, and ensuring customers can access the right care in the right setting with no or known out-of-pocket costs where possible. That is why our hospital contracting programme remains important. Long-term partnership style agreements with major hospital groups provide greater certainty for customers and providers while supporting more sustainable funding arrangements across the private health system. In FY26, claims inflation continued to moderate in Australia, and we continue to support the hospital sector with a hospital benefits payout ratio of almost 89%, well above pre-COVID levels. We also continue to advocate for reforms that improve transparency, affordability, and sustainability while ensuring customers continue to receive clear value from their cover.

Another way that nib delivers value to the sector is by allocating funding to programmes designed to help customers get well and stay well. These programmes include health management, virtual care, prevention, and healthcare at home. Through Honeysuckle Health and our broader health services division, we are strengthening our ability to support customers across more of their health journey. Our financial performance follows our successful delivery of our purpose, creating value for customers and helping more people access and navigate care with confidence. nib reported net profit after tax of $186.9 million for FY26, with group revenue increasing 6.2% to $3.8 billion and underlying operating profit increasing 9.1% to $260.9 million. Group gearing was 15.2% at FY26, down from 20.1% in FY25, an improvement of 490 basis points. The board declared a fully franked dividend of 21 cents per share, including a five cents special dividend following the announced sale of nib travel.

This brings the full year dividend to 34 cents a share.

nib remains one of Australia's leading private health insurers. The private health insurance industry continues to grow with hospital participation now 45.8% up from 45.4% in FY25. This growth supports our shift towards higher value and more sustainable segments. We continue to invest in and expand our first choice network, helping customers access quality care and delivering $57 million in out-of-pocket savings. Our international inbound health insurance business delivered another strong contribution to the group with underlying operating profit of $35.1 million up 15.1%, supported by policyholder growth across the Pacific Australia Labour Mobility, temporary graduates, and skilled workers. Customer advocacy remained a strength in this business with NPS improving to 62. Our health services business reached an important milestone in FY26, achieving profitability for the first time. This is evidence that our strategy to develop health adjacent capabilities can create both customer and shareholder value. In the NDIS plan management sector, nib Thrive is an important participant and delivered a positive underlying operating profit contribution of 16.3 million in FY26.

nib Thrive continued to adapt to an evolving policy and regulatory environment and is well positioned as the sector continues to mature and reforms favour scaled, compliant and high quality providers. Following the strategic review of nib Travel, we announced the sale of both the world nomads and Australian and New Zealand travel insurance businesses. These transactions have now completed and allow us to sharpen the group's focus on core health insurance and health adjacent services. Technology, automation and AI are now important enablers of customer experience, operational efficiency and productivity across the group. More than 70% of our Australian private health insurance customers are now digitally connected and almost 95% of Australian residents' claims were processed within 24 hours. In FY26, over 86% of Australian residents' claims were processed through automation, helping make customer service faster and simpler. Our productivity, digital and AI agenda delivered $61 million of value during the year.

This supported better customer experience, improved operating efficiency and reinvestment in growth. At a group level, we achieved an operating expense ratio of 16.6%, down 110 basis points from FY25. This reflects the benefit of automation, tighter cost control, and a continued focus on simplifying how work gets done. We have also seen this translate into a stronger customer experience. Our NPS of 32 reflects the benefits of a digital first service that makes it easier and faster for customers to engage with us.

As nib continues to grow and evolve, strong risk management remains central to protecting customers, supporting good decision-making and delivering sustainable shareholder value. During the year, the board maintained active oversight of nib's material risks, risk appetite, and governance settings, including operational resilience, cybersecurity, regulatory change, and the responsible use of technology and AI. We also continue to strengthen risk culture and accountability across the group, recognising that sustainable long-term performance depends on sound judgement, constructive challenge, and disciplined risk management at every level of the organisation. This is particularly important as new technology becomes more embedded in how we serve customers and support our people. Our focus is to ensure innovation is pursued safely, ethically, and with appropriate controls. These foundations will remain important as we continue to balance customer value, productivity, innovation, and resilience. Our purpose, Your Better Health and Wellbeing, continues to guide our approach to sustainability, community contribution, and long-term value creation.

During FY26, we tightened our focus on the areas where nib can have the greatest impact, access to care, prevention, inclusion, responsible business practises, and environmental sustainability. We also strengthened how sustainability is embedded in business decision-making with a sharper focus on measurable outcomes, accountability, and new mandatory climate disclosure requirements. Through nib Foundation, we invested $1.6 million in partnerships supporting health equity, prevention, and community resilience, with prevention partnerships engaging more than 635,000 people through digital health programmes during the year. Through nib Give, our people contributed 1,765 volunteering hours and supported 30 charities across volunteering, fundraising, and employee donations. This work reflects our broader commitment to help people live healthier lives, not only by funding care when it is needed, but by

supporting earlier intervention, prevention, and stronger communities. At the conclusion of this meeting, our independent non-executive director, Anne Loveridge, retires from your board. Anne was appointed in 2017 and has been an outstanding member of the nomination committee, risk and reputation committee, and longtime chair of the audit committee.

She has also served as a director of nib Health Funds Limited, nib New Zealand Limited, and nib New Zealand Holdings Limited. Anne has made a very significant contribution to nib over almost a decade. On behalf of the board and all nib shareholders, I thank Anne for bringing her experience and insights to the nib board, her good humour, and shall I say, an opportunity at every board meeting to not only be attentive, pick up detail, but do us all proud in helping us engage with management and get through the issues. We wish Anne the very best for the future. During the year... Well done. Yes.

During the year, we were pleased to welcome Hisham El-Ansary as an independent non-executive director. Hisham brings more than 30 years senior executive experience across healthcare, insurance, and large commercial businesses, including as a former CEO of Bupa Asia Pacific. We'll hear more from Hisham in agenda item three. Looking ahead, nib's performance will continue to be shaped by affordability pressures, healthcare cost inflation, regulatory developments, and ongoing technological change. Our priorities remain clear, strengthening our core health insurance businesses, improving productivity through technology and AI, deepening provider and partner relationships, expanding health-adjacent services, and maintaining a disciplined approach to capital allocation, risk management, and resilience. I thank my fellow directors, the executive management team, and everyone across nib for their commitment, professionalism, and focus in serving our customers throughout the year. And now I'd like to hand over to our managing director and chief executive officer, Ed Close.

Ed Close: Thank you, David, and good morning everybody, and thank you for joining us both here in Sydney and online. I certainly hope for those that are here in person, you'll join us for refreshments at the conclusion of the meeting. I'm Ed Close, nib Group Managing Director and Chief Executive Officer. David has outlined the group's FY26 performance and the environment in which we are operating. I'll focus on how we're delivering value for customers, where we are building new capability and our priorities for the year ahead. But before I do this, and as David mentioned, I'd also like to take the moment to acknowledge the significant contribution of Anne Loveridge during her time with nib. Thank you, Anne, on behalf of the management team for your knowledge, experience, and attention to detail. As David mentioned, it's been incredibly valuable to have you on the team, and we wish you all the very best.

Put your hands together for Anne from the management team.

And also a very warm welcome to Hisham on your appointment to the board, so looking forward to working with you on behalf of the management team. So now turning our attention to how we're supporting better health and delivering customer value. Our purpose, your better health and wellbeing, is most meaningful when it shows up in the care and support that we provide every day. In FY26, we focused on making

healthcare easier to access, simpler to navigate, and more affordable for customers. We expanded our first choice provider network, including new audiology and mental health networks and further network expansion across dental, physio, and optical. Our No Gap Dental Network now includes more than 700 dental clinics nationally. During the year, 43.9% of eligible claims were through a first choice provider. Together, our preferred provider networks saved customers more than $57 million in out-of-pocket costs. Digital service also continues to make a practical difference.

Faster claims processing and simpler service means our teams can spend more time supporting complex claims, vulnerable customers, and the moments that matter most. Now turning to our group performance highlights. FY26 was a year of stronger operating performance and disciplined execution. As David mentioned, group operating profit increased 9.1% to 260.9 million, supported by strong revenue growth and improved operating efficiency. Our balance sheet and cash generation strengthened, supporting the board's decision to increase the target dividend payout ratio to 65 to 75% and declare a final dividend of 21 cents per share, including a five cent special dividend. We made pleasing strategic progress, and nib is now a simpler, more focused, and more efficient business with a clear emphasis on private health insurance and related services following the sale of nib travel earlier this year. In Australian residents, we delivered record sales, strong customer advocacy, and the net margin was well managed in the six to 7% target range.

Our related businesses delivered a substantial improvement in the strategically important and growing adjacent markets. Underlying operating profit increased 41.9 million to 86.1 million in these important business segments. Strong financial performance enables us to deliver more value for customers. It helps us manage rising healthcare costs, keep premiums as affordable as possible, and invest in the services, technology, and provider partnerships that improve our customers' access and experience healthcare in Australia and New Zealand. Our group strategy has two clear priorities. Firstly, private health insurance is our core and primary source of value creation. We will grow and strengthen our position in the priority segments across Australia, New Zealand, and international. Alongside that, we'll focus on Capital Light, health and insurance services that strengthen our PHI businesses. Honeysuckle Health, ItsMyGroup, nib Thrive, and our complimentary insurance partnerships can support our private health insurance proposition, help customers access and navigate care, leverage group capability, and scale alongside providing an additional source of growth in these strategically related markets.

At the heart of our strategy though is delivering better value and smarter care for customers. That means keeping our products and services affordable and helping customers access high quality healthcare providers at lower cost, allowing them to get more out of their relationship with nib. We'll also target high quality growth with a focus on attracting and retaining customers in the target markets and priority segments where we can deliver sustainable value and build stronger loyalty over time with our members. Insurance excellence is equally important, better provider contracting, benefits management, payment integrity, and pricing discipline do support affordability, customer value, and better health outcomes. We want to make nib simpler and easier to deal with. Our digital advantage supports seamless experiences for

customers while lowering the cost to serve through automation and self-service features. Underpinning all of this is technology and AI alongside disciplined risk and capital management, and most importantly, our high-performing and purpose-led people.

Our Australian residents health insurance business remains at the heart of nib and is the largest contributor to group performance. As I mentioned, record sales and net policyholder growth of 1.9% reflected continued demand for private health insurance despite the pressure that we acknowledge on household budgets. Importantly, we are being deliberate about where that growth comes from with an increasing focus on higher value, more sustainable customer segments. In FY26, 85% of our net growth came from our target silver category. This was compared to 46% in FY25. Our focus is not simply on growing membership, it is on giving customers confidence that their cover will be there when they need it and delivering value through relevant products, simpler service, and better access to care. This includes the continuing expansion of our first choice network, working with providers to improve affordability that gives customers greater certainty about where to access care and what they will pay.

We also support reforms that strengthen participation, customer choice, and the long-term sustainability of Australia's private health system. Our international health segment supported more than 260,000 students and workers across Australia and New Zealand. It continued to perform strongly with policyholder growth of 4.4% and the gross margin strengthened to 41.6%. Customer advocacy was also a particular standout with an NPS of plus 62. For customers who are new to the Australian or New Zealand health system, our role goes well beyond insurance. We help them understand how the system works, we help them find the right care, how to use GP and telehealth services, and how to access hospital pathways with greater confidence. This is particularly important for our Pacific Australia Labour Mobility workers. Pleasingly, we retained preferred supply status this year and continued to provide culturally appropriate care, translated information, health literacy support, and access to clinicians.

Across in New Zealand, the business returned to profitability, delivering underwriting operating profit of 27.5 million compared with a loss in FY25. Pleasingly, customer advocacy also rebounded during the year with NPS improving to plus 25 in the second half. We also continue to build Toi Ora with iwi and hapū partners. The programme combines health insurance, navigation, proactive screening, Rongoā Māori and Kaiārahi support to improve access and outcomes for Māori. In health services, we reached an important milestone in FY26, achieving full-year profitability for the first time while continuing to scale access to care. Through Honeysuckle Health, more than 84,000 customers accessed services during the year. Over in nib Thrive, we supported more than 40,000 participants and delivered a positive UOP contribution through a period of significant change in the national disability insurance scheme. Service and operational performance improved through the year with lapse rates declining and participant numbers stabilising in the second half.

And as we mentioned, we have also now completed the sale of nib Travel with the Australia and New Zealand businesses transitioning to Allianz Partners and World Nomads to SiriusPoint and International Medical Group. This completes an important step in simplifying the group and allows us to focus our capital

and capability on private health insurance, disability support, and the health and insurance services sectors. Through our long-term partnership with Allianz, nib customers will continue to have access to nib branded travel insurance as part of this arrangement. Through Honeysuckle Health, we are helping customers access the right care earlier, in more convenient settings, and where appropriate, outside higher cost hospital environments. During FY26, more than 151,000 telehealth consultations were delivered. Over 22,000 customers participated in health management programmes and 2000 customers received care at home. Working with clinicians and specialised providers, treatments included IV antibiotics, chemotherapy, wound care, palliative care, and rehabilitation that can all now be delivered in home where appropriate.

Together, our care at home and our health management programmes helped avoid more than 28,000 hospital bed days, supporting patients in more appropriate settings while preserving hospital capacity for those who need acute and complex care.

AI and automation is becoming an increasingly important part of how we work and serve our customers. Across nib, we are using AI to simplify work across service, claims, operations, technology, and corporate services. More than 700 of our operational employees at nib are now using what we call nibGPT with 345,000 interactions across the year. In our Australian contact centres alone, AI call summaries, nibGPT, and AI chat have saved more than 26,000 hours of manual effort while giving our people better context to help customers faster. And the bigger opportunity here is not simply efficiency, but it is using technology to make healthcare easier to access, improve service, and create new sources of long-term customer value. Importantly, our people are embracing this change. In our knowledge-based roles, 85% are actively using Copilot Premium, while 77% of our people say that they have the AI skills, confidence, and tools that they need to succeed in their roles, and 85% of our people understand the guardrails for using AI responsibly.

We will continue to invest in our people's skills while being transparent about how work is changing. This, of course, will be supported by strong governance, clear accountability, and safe, ethical, and responsible adoption of AI and technology. Now looking ahead, our FY27 outlook remains unchanged. We expect group UOP growth with FY27 guidance of 265 to 285 million, excluding nib travel and subject to risk equalisation. We do expect that second half UOP will be stronger than first half given working day skew, the expected Australian residents premium increase in the fourth quarter of 27, and the timing and recognition of acquisition offers. Year-to-date investment income was 10.1 million to October 2026, impacted by global market volatility And the effects of rising long-term interest rates on bond valuations. Now, I wanted to pause to thank our people across nib for their commitment, care, and focus throughout the year. I also want to thank our customers, our participants, our providers, our strategic partners, our shareholders, many of whom are in the room today, and of course the board for your continued support.

With a clear strategy, strong foundations, and growing capability across health insurance, health services, and technology, nib is incredibly well positioned to navigate change, deliver better customer outcomes, and create sustainable long-term value. Now with that, I'll hand back to David. Thank you.

David Gordon: Okay. We'll now proceed with the formal business of the meeting. I propose to take the notice convening the meeting as read. Please note that matters not pertaining to the meeting will not be covered today. Shareholders will be given the opportunity to ask questions in relation to any aspect of nib's operations, and I really encourage you to do so. Responses to such questions or general matters of business will take place under the first item of business. For subsequent agenda items, I'll only allow questions and comments specific to those items. I'll address questions from the floor first by asking you to line up at the microphone over there. And if you're unable to do that, we can have a microphone brought to you. For shareholders joining us online, you may ask a question either in writing or orally through the online platform by following the instructions on your screen.

You must be logged in as a shareholder or proxy holder to ask a question. The question functions on the online platform are now open. If we receive similar questions regarding the same topic, we'll respond to those questions collectively. And any shareholder who has submitted a written question prior to today will receive a written response from nib. We recognise that a significant number of our shareholders are also nib members. And if you have a question relating to your health cover, please visit our member consultants in the pre-function area. Alternatively, you can contact nib via phone on 131642 or by visiting our website at nib.com.au.

I declare that voting on a poll for all resolutions is now open. Votes may be changed up to the time voting is closed at the conclusion of the meeting. For those of you in the room who are eligible to vote, scan the QR code on your attendance card with your smartphone or other device. This will take you to the online voting page. For shareholders and proxy holders participating online, the voting icon will now be available and the resolutions will be displayed. Your selected response will be highlighted and your vote will be automatically counted. If you wish to change your vote while voting remains open, simply select a different option. Alternatively, if you are attending in person and are unable to vote using the QR code, you can vote by following the instructions on the back of your poll card.

I now put before the meeting nib's 2026 financial report, director's report, sustainability report, and independent auditor's report. There's no vote on this item. Our auditor, Caroline Mara, partner at PricewaterhouseCoopers, is here to respond to questions in relation to the conduct of the audit, the content and preparation of the audit report, our accounting policies adopted in relation to the preparation of our financial statements, and the independence of the auditor in relation to the conduct of the audit. Any questions in relation to the reports, nib's operations or its management generally will be addressed now. If you have a question about a subsequent item of business, please wait until I address that item later in the agenda. If a shareholder in the room would like to ask a question, please go to the microphone and raise your attendance card. Wonderful.

Chris Lloyd: Good morning. My name's Chris Lloyd. I'm a member of Team Invest and I'm here as a private shareholder.

David Gordon: Welcome, Chris.

Chris Lloyd: I'd like to thank the board for allowing me to sleep in this morning by holding a meeting in Sydney rather than Newcastle.

David Gordon: Okay.

Chris Lloyd: My first question relates to net profit margin. Prior to FY24, that profit margin used to sit around about 6% except for a couple of COVID years. In FY 24 and 25, it dropped down to the mid-fives and in this year it dropped down to around 5%. Is this a trend or do you have a plan to return that profit margin back to where it was at 6%?

David Gordon: So we are conscious very much of the balance between the provision of services to our members and the provision of long-term shareholder value to our shareholders. And as you can imagine, in volatile times that can create challenges in the short term, but we very much continue to plan to return our margin to the six to 7% range that we have always had.

Chris Lloyd: I would note this year that when your net profit margin dropped down to the fives, Medibank increased theirs up towards 7%.

David Gordon: Yeah, I mean different organisations experience different things in the same market. I can't comment for Medibank. I can only comment for us.

Chris Lloyd: Does someone else want to speak before I -

David Gordon: Yeah, why don't we do that? And then by all means, please come back for further questions.

Anthea Cudworth: Good morning. My name is Anthea Cudworth and I'm representing the Australian Shareholders Association.

David Gordon: Good morning, Anthia.

Anthea Cudworth: Morning. I've got 510,000 proxies representing 3.4 million today.

David Gordon: Great.

Anthea Cudworth: I have a question about the culture at nib. The impact report shows staff engagement, inclusion, and wellbeing all fell short of target, yet the board scored the people and culture measure in the short-term incentive, effectively management personnel in the REM report, as above target. Could you explain how that decision was made?

David Gordon: Sure. It would come as no surprise that in difficult times, the morale of a team is often tested, and it's no surprise that in the post-COVID environment, our team has worked harder than it might otherwise have done. In those times, it's necessary for us to both incentivize, sometimes adjust, and manage the team so that we are achieving the aims of the organisation. In some cases, that results in lower

scores that might occur because of the challenges that we are all presented with, but that doesn't mean that people aren't doing a good job, and it doesn't mean that the remuneration system shouldn't recognise the effort and outcomes that those people put in. So I think it's entirely consistent for there to be a reduction in some of the scores to indicate the fact that things are difficult, but at the same time, important for us to be in a measured and responsible way, recognising and incentivizing the conduct that helps get people through those difficult periods.

Anthea Cudworth: So I had a second question, if I may, about the measures in the group STI scorecard. Five of the nine measures have numerical targets. This is a similar question, and together account for 52.5% of the scorecard. For the other four, would the board consider publishing what it regards as meeting target and how actual performance compared? Again, we're looking for that transparency.

David Gordon: So I think our remuneration report provides extensive disclosure about the sorts of things we take into account in addressing not only those issues, but all of the issues relevant to our remuneration system. It's often not that easy to state the detail of what might go into a consideration because often these situations are complex and they take a lot of board deliberation. I think the important thing is to ensure that what we provide manages both the requirements of a scheme to incentivize and retain the best possible people we can in the organisation, while at the same time ensuring that we're delivering returns and providing acceptable long-term shareholder value to our shareholders. And that's a line that we feel very confident that we walk. I'll certainly take on board your request for more information and let's have a look what we could put into the next remuneration report.

Thank you.

Anthea Cudworth: Thank you. May I ask another question?

David Gordon: Yeah, while you're there, why not? Go ahead.

Anthea Cudworth: I just wanted to ask about, well, once Ms. Loveridge retires, women will hold two of the seven board seats. I know you have a 40/40/20 target for FY27 for all executive roles. Do you intend to make further appointments during FY27 to address this?

David Gordon: Well, let me say this. We certainly intend to make further appointments in FY27 as we ordinarily do in the ordinary course when a director retires. And gender balance is a very important element of diversity, but I personally happen to think that it's somewhat overstated, which is not to say it's not important, but there are so many other elements of diversity that I think are important to coming to better decisions. And we as an organisation, and I personally very much believe that the greater level of diversity you have in relation to the addressing a question, the better outcome you're going to have. And if you look at our board, I don't think you will find a greater diverse range of board members on almost any board on the ASX. So I'm very proud of the diversity that we display, and I don't just mean in relation to people's background or their gender, but also their experience, their perspective, and the sorts of issues they take into account when they are examining an issue.

Gender balance, however, does remain an important criteria and we will continue to seek to have a 40/40/20 split.

Anthea Cudworth: Thank you.

David Gordon: Thanks.

William Prentice: My name's William Prentice. I'm a personal shareholder, but...

David Gordon: Welcome back, William.

William Prentice: Welcome back.

David Gordon: Haven't you been here last year?

William Prentice: No, I don't think so. It might be my twin brother, I think.

David Gordon: Oh, is that what it is? Okay. Well, maybe it's from here my eyesight's not as good as it could be, but anyway.

William Prentice: Oh, is it a bad experience for you?

David Gordon: No, not at all.

William Prentice: Just sort of seemed a bit worried there.

David Gordon: Not at all.

William Prentice: I guess, oh, I also own it through my super fund as well.

David Gordon: Okay.

William Prentice: Just a couple observations. Your operating profit was up 9.1%, I think. Your net profit was down 6%. Your earnings per share were down roughly 6.5%. Your return on invested capital was down, I think, 1.2%, something like that. And why the divergence? And I guess the earnings per share is a very critical measure of what sort of dividends that we could get. So we've got a decline in earnings per share. I know you paid a special dividend, but basically your dividends were flat. They didn't go up. And are we going to get further earnings per share growth in 27, which will allow further increases in dividends? The other, just more of an observation, and this is sort of a meeting of shareholders, and during your address, I counted twice where you mentioned shareholders, and I think Ed did once where he thanked us, which thank you very much, Ed, but there was a lot of talk.

I think being a meeting of shareholders, whilst we are interested in providing a good service, we also have our capital at risk. And so we need to know of how are you going to grow the company, where's that going to come from, and how is shareholder wealth going to be increased? Now that may seem greedy, but -

David Gordon: On the contrary, I think it's actually a very good point, and I thank you for pointing it out. Look, the mere fact that we're here today, I think indicates that we are here for you. At the end of the day, the capital in this business is provided by its shareholders. And as you point out, William, that's part of the

role that we play. Now, as an organisation that operates in the healthcare system, we also have responsibilities and duties to those people who participate with us as customers and members across the broad range of businesses that we operate. But that's not to say that one can't be done without the other, and it's the reason why we have a long-term policy of net margins of 6% to 7%, why we devise and implement strategy that is specifically designed to increase the value of the business in the long-term, and why we want to be able to be resilient against short-term fluctuations that may occur.

So first of all, let me say, without any qualification, that everybody at nib understands the importance of respecting, valuing, and providing return on the capital in the business, no one less than myself. And the point you make is very valid. It's sometimes difficult to include in all of the information that goes every perspective to the extent that perhaps it deserves. I think your comment's well made and we'll address it. But in relation to the more specific question that you asked earlier about growth of the business, you're clearly a man of numerical analysis, and from my memory, your analysis is pretty spot on. And that's not to say that the business has not had its growth and there are parts of the business that have done well and others that need to do better. And I think it would be inappropriate for me to say anything specific other than if you look at the announcements that we make in relation to our guidance, that represents the most up-to-date view that the business has about the future.

It's not a guarantee and it's certainly not a forecast. It's guidance based on our best expectation.

William Prentice: So in that case...

David Gordon: Please do. Oh, sorry.

William Prentice: Thanks for the question.

Ed Close: I was just going to build on David's response. Is that Mike working? Yeah, it is. It's important... We've got phone -

William Prentice: Competition.

Ed Close: Yeah, competition. I just wanted to also draw out when you talk about the performance on NPAT and EPS versus underlying operating profit, the important distinction around the contribution of investment returns. And so our modus operandi, as you know, is around giving stable and resilient earnings, and we are beholden to the return profile on those large investments around market conditions. And so the big determining factor around why you saw increasing UOP, but deteriorating NPAT through the cycle was a direct correlation with that investment return profile is about a $20 million variance. Furthermore, there was a $10 million impact around the effective tax rate. We did get some benefit in FY 25, which unwound. And so that's why we guide to the underlying operating profit as the better metric around the performance of the business. Notwithstanding we acknowledge that EPS is a byproduct of NPAT, but that's part of the investment return profile.

William Prentice: Sorry, this is the last thing. With your guidance that you've currently got, I'm not up to date with it, but does it have a guidance on EPS?

Ed Close: No, and the reason it doesn't is because of the volatility of those investment returns, which we have pointed out in our updated piece.

William Prentice: I haven't read your guidance.

Ed Close: So we guide to UOP, the underlying operating profit.

William Prentice: Okay, thank you.

David Gordon: All right, thanks. Are there any other questions? Please.

Howard Coleman: Mr. Chairman, Howard Coleman here from TeamInvest as well. Hi, good to be here again. nib is one of the few companies that has passed our filters in TeamInvest for more than a decade, so thank you very much. We're very pleased about that. There are some questions that I'll direct to some of the other resolutions coming up, but on the lines of what was said about Anne being somebody looking so carefully at all the detail, our members around the country own approximately... Or sorry, I should say the other way around. We're collectively the sixth biggest shareholder in nib between our members around the country, although we all vote individually. And we discuss, because it passes our filters, we discuss nib fairly often. So I just looked up, we've had 26 discussions of more than three hours on nib, each of those discussions more than three hours during the course of the last decade.

So a company we know pretty well. And one of the things that it struck me is when I look at the reason given for the suggested or increase in director's fees, which I'll address a little bit more later in the resolution, the reason given is the increased complexity of the business. However, you, Ed, and many times during the last year or two, you've talked about simplifying the business and that IT is also simplifying the business. So my guess is some remuneration consultant helped you put together the statement that the director's fees were being increased because of complexity. And my advice on that is rather write it yourself than having remuneration consultants provide you the standard blurb because that was picked up by a number of our members. Hang on, that doesn't tie in. But once again, I'd like to thank you. We wouldn't have been members or shareholders for this long if we weren't happy overall.

And I understand too, the reticence to give guidance in EPS as I think probably the only way you could have a better shot at that is if you could get Jim Chalmers to give you a accurate description that he and Michelle Bullock agreed on as to where interest rates were likely to be in the next 12 months. But I'll come to the microphone later on anyway resolutions, but thank you for the results over the last 10 years.

David Gordon: Okay, thanks. Let's address the board fee issue in that resolution because I think it's important that people don't get the wrong impression about what we're seeking to achieve. The increase in a cap has got nothing to do with the fees that are actually paid to directors, and the fees that are paid to

directors have increased by at or just below the inflation rate for as many years as I can remember. But let's deal with that separately. That's fine. Good. Anthea, hi.

Anthea Cudworth: Hi, I hope you don't mind. I've just got a couple more questions.

David Gordon: Go ahead. I like questions.

Anthea Cudworth: Thank you. Will Mr. El-Ansary, as the new audit committee chair, put the external audit out to tender? As I understand, the last tender was in 2008.

David Gordon: So let me address that. Now, the question of audit is something that we review on a regular basis. The last time that we formally examined the quality of our audit was actually in November 2025, so it's very recent. There's a lot of comments in the papers about auditors, and I'm not going to go in that direction. What I will say is that notwithstanding the comment that was just made about the contrast between simplifying the business and the complexity of our business, which I can address separately, we have a complicated business. I mean, in the last year alone, we sold a global travel insurance business. We've got increasing activities in private health insurance. We have a burgeoning health services business. We've expanded into the NDIS, a not trivial exercise. And across all of that, we've had the challenges, the economic challenges, the challenges of technology improvements, the challenges of just managing people's expectations, both on the customer and the shareholder side, as well as within the team.

Those things make for a complex business, and auditing a complex business is not simple. It's very easy to take the view that moving auditors is something that would be in the best interest of the business. I happen to have a very differing view. We are very fortunate that we've had an extremely capable team at PricewaterhouseCoopers look after our audit for many years. In fact, I'm even more pleased to say that Caroline Mara has returned as our auditor after taking off the required five years from the last time that she was our auditor and does an excellent job in providing service for nib and ultimately for the benefit of nib shareholders. So I don't think that it's something that we will be specifically looking to change because we see no reason to do so. It works very well. And like most things in life, if it works well, I don't see a great reason to fix it.

Thanks for the question.

Anthea Cudworth: Thank you. I just have one more.

David Gordon: Go ahead.

Anthea Cudworth: So you've obviously described a lot about the importance of digital automation across the group, and you're starting to see some phenomenal outcomes already. Would you consider providing more details about which skills each director brings, especially in the digital cybersecurity and AI space?

David Gordon: Yeah. Well, I can confidently say that the level of skills and experience regarding AI across the board are no greater than the level of skills and experience most people are facing dealing with AI as it's quite a modern phenomenon. Having said that, we invest very significantly in increasing the skills of

directors in relation to AI through courses, through presentations. There's a lot that goes on to upskill the board. I'll certainly like to take on notice your question about more explanation as to individual skills, and you'll see that in our remuneration report, we speak to the skill base of the directors and we review it on an annual basis. And to the question that somebody asked a moment ago about board renewal, it's absolutely one of the issues that we take into account when we look at bringing new directors on. And if you look at the new directors who have joined the board over the last three years, one of whom is up for election this year and two of whom are up for re-election this year, I think you'll see just in those three people alone, a fantastic example of diversity in relation to experience, skills, and approach.

And so yes, that skill level is something that we are very focused on, both upping the skill level for all directors, particularly in new areas like AI, but also ensuring that directors are becoming as proficient as possible in relation to a broad range of topics that come to the board.

Anthea Cudworth: Thank you.

David Gordon: Thanks. Are there any other questions? This is a great time to ask questions. Yeah, I think in a moment, Howard. Okay.

Chris Lloyd: Mine relates to the Australian claims inflation in FY 24 and 25, sorry, 25 and 26, you've received approved increases of average of 5.8 and 5.5. Why have these increases been insufficient to address the claims inflation in Australia?

David Gordon: That question I'm going to hand off my hat on to Ed because I think he'll be well positioned to answer it.

Ed Close: Thanks for the question. You're on now. Oh, how's that? Yeah, we're actually quite comfortable with the level of premium increase matching that claims inflation trajectory that you alluded to. And so the pleasing part of it is that we're actually seeing some good moderation now in terms of that Australian residents claims inflation curve, and that's starting to moderate now down to 4.1% when you exclude the New South Wales hospital aspects of the inflationary trends. So I mean the thematic is looking more positive than where we were 24 months ago, and we certainly knew that nib's claims performance was going to come under some pressure, acknowledging the outtakes of COVID, and also some very deliberate investment that nib committed to support the customer value proposition. So we, again, have high exposure to New South Wales, so we did see impacts from the bed rate change, but we also made considerable investment around our medical gap arrangements, and that came at considerable cost to nib, which you see in the claims line, but has direct benefit to our customer value proposition, and that was a really important strategic decision.

We then priced our products accordingly, which is why you alluded to those numbers being in the mid and high fives, which our preference is that we start to moderate those increases down to make sure that our prices are competitive. But if you think about guiding that margin, I think the question came up earlier, into that target 6% to 7% range, these investments have been all part of that strategy. And certainly when we

talk about our Australian resident margin performance, we have been able to manage within that six to 7%. And so looking forward in an outlook where we're alert to, but certainly getting more on top of our proactive claims management, our goal is to have more competitive premium increases that are more closely aligned with the industry average.

David Gordon: Thanks, Ed. Thanks. Oh, go ahead.

Howard Coleman: Just a comment, and perhaps it comes from our background originally as a physicist, but it's got nothing to do with that particularly. I think boards all around the world are getting terribly worried about do they have enough in the way of skill sets to cope with AI, and I think that's a worry that is unnecessary. I would doubt that there are more than a couple of people in this room, maybe I'm wrong, and there are a few of them, who really understand thoroughly how a mobile phone works, but we all use a mobile phone, and pretty much everybody in business has become more productive through using one. And most of us probably don't know how an internal combustion engine works, and yet we drive a car. So I don't think it's really necessary that the board understands how AI works. All the board should be really thinking of is what could we use AI for to make our business better?

Ed's already told us of a couple of things that are clearly happening, and it's making the business more productive. So as long as that's the focus, I'm sure we will do very well out of AI without needing to understand anything about how it actually works.

David Gordon: Thanks. Are there any other questions?

Chris Lloyd: Bit of a tag team here. Go ahead. My next question relates to Thrive. By way of introduction, I'll make a few comments. It appears to me that Thrive provides the discipline that the federal government's looking for or looking to bring to the NDIS. If they're successful in weeding out the charlatans and cowboys, that should provide a strong backwind to Thrive and nib. I noticed in FY 26, the number of participants in Thrive dropped 3% to 41,600, representing about 5% of the total enrollment in the NDIS. It appears to me that the profitability of Thrive is solely dependent upon the number of participants that have signed up to Thrive. So my questions are, what are the factors contributing to the slowdown in the uptake in the participation rate, and what is Thrive's participation rate, participant retention rate? Sorry about that, and what actions are being taken to address those two issues?

David Gordon: Okay. I'll hand over to Ed in a moment just in relation to further specifics, but I suppose it's important to point out that the total number of participants in the NDIS scheme has reduced because of government interaction, and that's not a mistake. You made comment about wastage in the sector, and the government's chosen to more tightly focus the group of people for whom the NDIS will operate. So for instance, there was a large number of young people in that scheme who are No longer eligible to be part of it. I can't recall the exact numbers, but that takes out a large number of people from the system overall. And therefore, on the basis that we represent a proportion of part of that, will take out participants from our

business as well. In terms of overall growth, the NDIS sector has been, as we all know, one that has consumed vast amounts of the public purse.

And most residents, most Australian residents as voters want to see that reduced or managed better in some way. And the government has been responding to that and attempts to make even greater response in the years to come. One way in which that's intended to occur based on stated government policy is to create a panel of plan managers. And nib Thrive is a plan manager. We help participants in the NDIS design and operate the plan that they use to then get services from providers under the NDIS. And the government's intention is to create a panel of plan managers who will then operate in accordance with standards and requirements that the government's going to create. That plan to create a panel is intended to be rolled out over the next 12 months based on the government's most recent announcements. And it will show that there are probably hundreds, if not more, of existing plan managers.

And the government's intention is to reduce that to a panel of a much smaller number, whether it's 20 or thereabouts, it's of that order.

And we support that because we think that the role that's necessary in order to weed out some of the fraud and wastage that's occurring requires plan managers to have the sort of systems that we as nib have in our organisation already and that we apply in the nib Thrive business. And by reducing the number of plan managers down from the hundreds or whatever it is right now to a much smaller number, that will invariably mean that participants will use one of the plan managers who are on the panel. And so that should see a very significant increase in our share of the market, if you like. And so we are very focused on that outcome as well as continuing to provide advice and assistance to the government and to the NDIA as to methods that could be used to reduce some of that wastage. So that's a broad answer to your question, but Ed, is there anything else you'd like to add?

Ed Close: Yeah, a couple of additional points just to build on there. So if you think about nib's strategic intent around the entrance to plan management, all the aspects that David has touched upon has been taking the learnings and capability from the health insurance sector in terms of processing invoices, supporting participant needs, connecting them with trusted, high quality and compliant providers, automation, and certainly the opportunity around claims management. That was our original thesis as to why we felt that a large scaled and compliant operator like nib could make a real difference to supporting not just the participant outcomes, but certainly the overall scheme sustainability. So from a thematic perspective, we are very supportive of the shift that the NDIS is heading towards in terms of the reforms. We see quite material opportunity now that I guess the goalposts have been set around the future of plan management.

And as David touched upon, 1400 or more plan managers likely to now reduce to less than 20. And nib as the second largest plan manager in the country sees considerable opportunity to make a real difference taking that capability. You do touch on some interesting points that we have had to navigate quite a period

of uncertainty, including differentiated operating models by some of those plan managers. And this is one of the impacts that we've seen in our participant base is that some plan managers, a small number we suspect, would be paying for things in the NDIS and processing and approving those claims for services that should not be provided. nib holds the utmost level of integrity to our own standards. And so unfortunately we have seen an impact in the short term of our participants lapsing to some of our competitors because they're looking for a different level of service model.

We welcome the change around the rules-based approach that they're taking, more scrutiny, more auditing and more compliance around the scheme because we do think that will level the playing field around how those plan managers operate. And David also makes an important point that as the NDIS transitions from 750,000 participants today across the country down to more like 600,000 by 2030, that will have again some short-term impact on lapse. The pleasing news is in year on year, the lapse rate has considerably improved. And so nib has certainly stabilised our lapse performance. You are right that we had some modest decline in participant cohort overall because of those factors I talked about, but we're very encouraged now that there is clarity around the direction of plan management and nib needs to play an important role there. So our single priority for the management team is how do we ready nib Thrive to ensure that we can put our best foot forward and present the business to be a strong candidate for the panel?

David Gordon: Thanks Ed. Yep, please.

Chris Lloyd: A quick follow-up. Who's the largest plan provider and what percentage of the market do they have?

Ed Close: Yeah, so we're a tick under 10% of the market at the moment. The largest is My Plan Manager, so they're a little bit high market share. Market share is a little bit hard to understand in plan management because it can change from time to time. They're owned by Gallagher Bassett who are listed over in the US. There are some other large scale players as well. So McMillan Shakespeare have a plan management business in Plan Partners. We also have APM out of West Australia who also have a large business. So there is, again, a little bit similar to the health insurance space that there are several large, mature, sophisticated, compliant and scaled players and then a very long tail of differentiated plan managers across the sector.

David Gordon: Right. Thanks Ed. All right. Are there any other questions generally about the business or any aspect that anyone would like to ask? If not, I'll check if there are any questions online or request speak. Jordan?

Jordan French: Yes, Chair, there are a number of questions on our online platform. The first of those is from Mr. Stephen Mayne. This question is for CEO Ed Close. Could Ed please summarise the extent and breadth of engagement he has with analysts, brokers, fund managers, and institutional investors after each six monthly results released to the ASX? How does that compare with what the company does for its circa

122,000 retail investors? Also, what proportion of our register do we estimate is still owned by retail shareholders, including many Team Invest members? Is it above 50%?

Ed Close: Well, thanks for the question, Stephen. Wherever you're joining from virtually I would gather. So maybe I'll just address the last part first. So it's close to 50% in terms of our retail shareholder base. And in terms of then engagement with all varied levels of shareholders across the country, man, these types of opportunities clearly present an opportunity to do that. I'm actually pleased to see some of the Team Invest team here and nib, hopefully Chris and Howard would agree, have been quite proactive with the Team Invest Group and many of your other constituents as well over the years. And so most recently I had the opportunity to spend about two hours with the broader TeamInvest cohort actually at the Randwick Racecourse, not far down the road here. So we certainly as a management team look to engage regularly with that very important stakeholder constituency in our retail shareholders.

That said, of course we also spend considerable time with the analysts, the community as well, engaging them after the results as the question alludes to, and of course our institutional investors. So we feel that we've got the balance right. We're of course always welcome to feedback around how we can further optimise that moving forward.

David Gordon: Great. Thanks Ed. Jordan, next question.

Jordan French: The next question is from Mr. Heinrich Kay who simply asks, "How about appointing someone with a disability to the board?"

David Gordon: Yeah, okay. I mean, that's an interesting question because disability can mean so many different things and we all probably have one disability or another. In terms of looking at board appointments, we look across a broad range of elements and certainly we'll take that on board.

Jordan French: The next question is again from Mr. Stephen Mayne. "Why do we announce the immediate retirement of long-serving directors on the day of the AGM when they haven't reached the end of their latest three-year term? We did it with Donald O'Dwyer last year and we've done it again today with Anne Loveridge. Shouldn't it have been in the annual report or notice of meeting? Lastly, in her final contribution as a nib director, could Anne please comment on what she regards as the best two decisions taken during her time on the board and does she have any regrets?

David Gordon: Well, first of all, we provide full disclosure of the appointment and retirement of directors, and I'm not quite sure what point you are really alluding to, Stephen. The fact of the matter is that like most ASX listed businesses, we have a policy that directors remain on for three elected terms. Each term is three years. Invariably, that means approximately nine years, give or take. The board has a discretion to extend that in particular circumstances, but that's the usual case. And I think you'll find in the case of Anne's period and Donald's, as he referred to before, and indeed the directors before them, that the timing of their retirement has been plus or minus around that period, and we would expect that that would continue. So I

don't think there's anything really unusual about that. Anne, as far as your two decisions, if you'd like to comment, I would've thought that one is joining and the other one is retiring, but you may have...

Anne Loveridge: Thanks, David. I was going to say something similar, that corporate memory is important, but renewal is also important for a board because it is good to have new people join and ask some of the questions that you may have asked previously, but with different context so you're not anchored on, "Well, that didn't work last time we looked." And there are many decisions that a board has made over 10 years, as you can imagine, Steven. So probably in keeping with what many people say is it's some of the people decisions that have been the most important. And so I think we've got assembled an extraordinary executive team here to take the company forward. And so I have lots of confidence in my fellow board members and the executive team that we've got the right blend of corporate memory and renewal to re-challenge and reinvigorate to take the company forward.

So thank you.

David Gordon: Thanks, Anne. Are there any other questions online?

Jordan French: Yes, there are several further questions, Chair.

David Gordon: Okay.

Jordan French: The next question again is from Mr. Heinrich Kay. "With regards to telehealth, do you ensure that Microsoft Teams or Zoom are used as this will ensure the correct person is treated?"

David Gordon: Yeah, I'm not going to claim that I'm the expert on technological application of telehealth, but we use up-to-date technology to ensure that not only is the right person there, but that the overall communication is confidential and maintained with integrity.

Jordan French: Couple more questions from Mr. Stephen Mayne. The AFR's Street Talk column wrote a story about us on June 21 under the headline nib in stealth restructure defence mandate change up. Was the story true and did the internal restructure proceed? Also, why did we replace Citi with Morgan Stanley as our defence advisor? And what sort of work is Morgan Stanley doing? This sort of information doesn't normally get reported. Did we sanction this leak or did it come from Morgan Stanley? Given the flood of recent takeovers of mid-cap ASX listed companies, are we worried we might catch a bid?

David Gordon: Okay. First of all, it's interesting that when a third party external professional advisor to the business remains in place, we get asked why we're not changing them. And when we change them, we ask why we're not keeping them. So I don't know that we can win. In relation to the specific question, Stephen, it's great headlines to talk about stealth restructure, but no such thing happens. At nib, there is an ongoing and deliberate process of renewal and referred to it in relation to the board, and the same thing takes place in relation to the management team. And with a relatively new CEO in Ed, who's now been in the role for about two years, it's invariably the case that there's going to be a restructure from time to time of different

roles, not just in relation to the suggestions or requirements of the CEO, but also the requirements of the business.

Our business changes, our needs change. We've recently appointed two very extensively experienced people in both risk and in IT and technology and transformation because of those changing needs. So it's a continual process. There's nothing surprising about it. And in relation to the change of our financial advisor in that respect, it was just part of a process we went through, as you would expect that we would do. We review these things from time to time. Sometimes we stay with the incumbent, sometimes we change to somebody new, and that's what happened here.

Jordan French: Further question from Mr. Stephen Mayne. The AFR has run a big campaign on audit issues centred around KPMG this year, but it has also made the case that there is a positive correlation between the big four firm, which audit committee members on the ASX 200 boards used to work at and the firm which happens to be auditing that public company. Isn't Anne Loveridge a case in point here at nib? She did 31 years at PwC rising to be deputy chair in Australia, and PwC has been our auditor for more than 20 years. Was the review last November a formal tender, and did we run audit tenders during her nine years on the board? Does the chair acknowledge that auditors for life are on the way out and the poor optics when some of the directors making the decision to not change auditor hail from the audit firm, in this case, PwC?

David Gordon: Look, I think that's just an overly superficial approach to a much more complex subject. I'm not going to make comments about the recent press speculation in relation to accounting firms. The fact of the matter is that, as I alluded to earlier, we have a really great auditor in PwC who understands a complex business and the changes in their business. We do review regularly, and the suggestion that Anne's involvement at the board somehow affects that is just ludicrous. What we have in Anne is a highly experienced former audit partner who has been able to effectively and efficiently operate as chair of our audit committee, notwithstanding the name or the identity of who the auditor is. And frankly, I take exception to the idea that there would be any conflict in that respect when at the end of the day it comes down to the quality of the individual and the quality of the firm.

I have absolutely no concerns about it, and it might make for interesting questions or maybe salacious headlines, but I'm more focused on the operation of our business. Anything else, Jordan?

Jordan French: There are no further questions from our online platform.

David Gordon: Great. All right. Well, now that we've considered the reports, we'll deal in turn with each of the items set out in the notice of meeting. Item two on the agenda relates to the remuneration report contained within the 2026 director's report. In accordance with the Corporations Act, this vote is advisory only and the outcome will not be binding on the board. The proxy votes received prior to the meeting in relation to this resolution are shown on screen. nib's approach to remuneration is simple and underpinned by a strong governance framework. Consistent with our approach in previous years, we are actively

engaged with and seek regular feedback on our remuneration framework from key interest groups, including shareholders such as those that have been referred to already, representative groups, including the Australian Shareholders Association and others. Your directors unanimously recommend that shareholders vote in favour of the ordinary resolution to adopt the remuneration report of nib for the financial year ended 30 June 2026 as set out in the director's report.

And I'd now be happy to take any questions on this item of business. Does anyone in the room have any questions? Howard, please go ahead.

Howard Coleman: Just a starting point, as far as I know, Team Invest members have voted predominantly for the report, probably all of them I would think, but we don't monitor that, so I can't be 100% certain I'm voting for it. But I would like to raise one, in fact, two things, one major one, one smaller one. The major one is 50% of the LTI bonus is based on TSR, and I really can't understand why this is done in companies. Having been involved in management, having been on boards, I can't see how it can motivate his staff, his executives under him or himself based on total shareholder return or comparative total shareholder return. Earnings per share, yes. It's sitting thinking about a decision he wants to take to the board for discussion, and he can say, "If we do it this way, our earnings are likely to go up.

If we don't do it this way, they may go down." Well, that's very sensible, but management has no control over the actual share price on a short-term basis. Long-term, of course, increased earnings per share increases the share price, but it's going to bounce around in between. So we at Team Invest would be only too happy to have a long discussion with you people about it if it's necessary, but if it's not necessary, if you can... I know you'll get flack from proxy advisors, so you may have to do it gradually over a few years, but if you can manage to change it from 50/50 and work your way down to where TSR becomes an irrelevancy, that would be really very well thought of by most team invest, in fact, all Team Invest members, most of whom have lots of business experience, and whenever they see TSR say, "I could never have motivated my staff on that." So that's the main comment.

The second one is I noticed that we're using a minimum hurdle of 3% growth in EPS. That's fine at this stage, but if we're going through a period of higher inflation, which looks quite possible, I presume that'll be reviewed for next year such that it isn't paid out if it's less than inflation.

David Gordon: Yeah, and we look at those things on a regular basis. And to your earlier point about TSR, so for the benefit of those that are not into acronyms, total shareholder return is effectively looking at the share price over a period to see whether it's gone up. And clearly we all want the share price to go up. That's one of the reasons why you hold shares. And there are two ways of looking at that. There's the total return or there's the comparative return. The comparative return attempts to take similar businesses and compare the return of our business against others, which is quite a difficult thing to do when there's only one other health insurer listed on the ASX. And to your point, Howard, I think it is a challenging concept.

I personally agree with you. I think it's very difficult to see how any management team can affect share price performance.

And a good test of that is if there's a boom and the market goes up, that doesn't necessarily mean that the management team have been excellent, and if there's a massive fall in the share price, that doesn't mean that the management team's done necessarily anything bad in relation to the business, and yet it affects total shareholder return. So why should long-term incentives be tied to something that, as you say, individuals have limited ability to influence? The counter argument, which is made by many of the proxy advisors, in fact, I think all of them, is that there should be a relative balance between the earnings per share or the profitability of the business and how the management team's been able to affect that and the longer term position of that business in the market compared to others. In the context of a long-term incentive scheme, the argument is that the long-term indicator has some relevance.

I still question it. If it was up to me alone, and it isn't, to change things, we would certainly address that. But it's a very firm position of institutional investors, and therefore the proxy advisors, that scheme should include that. I think that it's certainly worthy of discussion, and we do discuss it with the proxy advisors when we meet with them every year and more frequently, and we'll take it on notice. At the end of the day, the long-term incentive scheme should do what's on the label. It should provide a long-term incentive and retention mechanism for the management team.

Howard Coleman: Yeah, and we are constantly trying to get the proxy advisors to change it too. And to me, the worst thing about it is the downside, because if Ed and his team do a wonderful job one year and the market happens to go down or health fund shares go down, you could lose some very good executives because they feel hard done by that they've done a wonderful job and they didn't get any kind of a bonus for it.

David Gordon: Yep, I couldn't agree more. Thanks. Go ahead.

Chris Lloyd: To add to Howard's comments, I would suggest that the TSR be replaced with metrics for the new pillars that you're building in the business, such as Thrive, such as participant numbers or retention rates that would have a greater effect on the future performance. With regard to the REM report, it's a pretty good REM report compared to most that I've read. A few areas that could be improved, I'd suggest you have a look at the BlueScope REM report. It's quite the exceptional. With regard to the STI, should I do that here or now or later?

David Gordon: Oh, you can do it now. It's fine.

Chris Lloyd: Okay. I noticed in the FY 26 that the CEO achieved 95.6% for the STI. In doing my comparison with Medibank, just bear with me for a minute, you've got EPS growth over the last six years, nib 3.7, Medibank, 7.3. Sales per share growth, nib 6.6, Medibank, six. ROE over the last six years, nib sits below 20%. Medibank sits above 20%. ROE in 26, nib was 16.5, Medibank was 26.3. Net profit margins I mentioned previously, nib was 4.5, Medibank was 6.9. When you look at the two companies, the PE for nib

is 17.6, Medibank's 22.5. If nib had comparable performance and that PE ratio, its share price would be now $8.70. I can't reconcile that with the 95% STI award.

David Gordon: Okay. So first of all, in theory, what you say may be correct. How the market operates in relation to the valuation of businesses is more, I think, of a dark art than a science, but I accept the numbers that you outlined. I think this comes back to a point that I made earlier about these incentive schemes and about the reasons to have them. We've gone through a tough period post-COVID and the rest of the economy likewise. And so yes, it's true that the returns may be, as you indicated in your numbers, the management team has never worked harder and achieved more in a difficult period. There are many reasons for differences between organisations and far bet for me to try and comment on them, but we are very much of the view that the team that we have is not only working hard and achieving great outcomes, but the system itself, our remuneration framework, specifies the way in which we look at incentives and the awarding of incentives to our management team.

A comment was made earlier that roughly half of them are numeric and half of them are not, and that's a guideline for us to use in terms of making those awards. So I think the other point I'd make is at the end of the day, incentives are there for long-term and for the retention of our team in the long-term, as the comment was made a little while ago. And so looking at it on a year-by-year basis, there may appear to be some uncorrelated elements, but overall, if you look at the tenure of nib's team and the quality of the executives within that team, as Anne mentioned a moment ago, we have a spectacular management team, and we are here to ensure that they are incentivized and retained for the long-term to create long-term shareholder value, notwithstanding what might happen in a particular year, but point taken.

Are there any other questions from the floor on the remuneration report? If not, I will check the questions online.

Jordan French: There is one question online from Mr. Stephen Mayne. "Why didn't we disclose the proxy position to the ASX along with the formal addresses, as many other companies now do, in order to provide more timely market disclosure and a more fully informed AGM debate? Which of the proxy advisors covered us this year, and did any recommend a vote against any of today's resolutions, including this remuneration report item? If so, what reasons did they give and did this translate into any material protest votes? I'm not asking you to publish the proxy advisor reports, just what you know about the proxy advisor recommendations.

David Gordon: Well, I'll try and answer your question in reverse. What I know of the proxy advisor recommendations, limited as it may be, is that they were all fully in favour of all of our resolutions. So there were no specific concerns raised in relation to any of that. And you will have seen from the proxy numbers that our shareholders across the board are spectacularly supportive of this and indeed all of our resolutions. Steven, I think you and others made the request some time ago that why did we hold back disclosing the proxy numbers until after we had had discussion around the table here? And so we took the view this year

that we will accede to that, and we've started publishing our proxy numbers in advance so that everyone in the room understands what the proxies are, and we're very proud of them. So it seems like it doesn't matter what we do, there's always a request for something else.

We'll certainly take a look at the disclosure of proxy information to the ASX, but we comply with all the ASX guidelines, and we're very comfortable with the approach that we take. Any other questions?

Jordan French: There are no further questions.

David Gordon: Okay, great. All right. As the chair of the meeting, I've been appointed proxy by some of the shareholders to vote on this resolution, and I intend to vote undirected proxies which are able to be voted on this resolution in favour of item two. There are voting exclusions applicable to this resolution, which are outlined in detail on page 10 of the notice of meeting. I now put to a poll the ordinary resolution that the remuneration report of the company for the financial year ended 30 June 2026 as set out in the director's report is adopted. To vote, please click on one of the voting options shown on the screen or on your device. We'll now move on to item three on the agenda, which is the election of Mr. Hisham El-Ansary as a non-executive director of nib. Hisham was appointed to the board of nib Holdings Limited in December 2025 in accordance with nib's constitution.

He retires and being eligible offers himself... For election as an independent non-executive director. The proxy votes received prior to the meeting in relation to this resolution are shown on the screen. I'd like to invite Hisham to address the meeting regarding his election.

Hisham El-Ansary: Thank you, Chairman, and good morning shareholders. It's a great honour for me to be standing here seeking election as an independent non-executive director on the nib board. My background is contained in the notice of meeting, so I won't repeat that, but if you allow me, I'd like to just pick up a couple of points from there. I spent the last 30 years before starting my career as a non-executive director as a senior executive in a variety of industries. Most recently, I spent 15 years as an executive at BUPA, chief financial officer, director of strategy and development, managing director of the health business, and eventually CEO of the Asia Pacific business, which is the largest business unit in the BUPA global portfolio.

I learned a thing or two about health and healthcare, and I think I can bring some of that experience to bear in oversighting the operations of nib. Specifically, I think customers are at the centre of everything that we do, and I truly believe that. And healthcare affordability is becoming a really, really important thing. We talked a little bit earlier about the importance of technology, and it certainly is in identifying, treating, and enabling us to monitor health outcomes for our customers. And I think all of these aspects were important to my previous role, and I think I can bring some independent judgement and critical challenge to the great work of supporting the management team deliver improving customer value, and through that, one hopes improving shareholder value as well. So thank you very much for the opportunity. I've enjoyed my time on the board so far, and I would welcome your support in enabling me to continue to do so.

Thank you.

David Gordon: Thanks, Hisham. The directors with Mr. El-Ansary abstaining recommend that you vote in favour of the ordinary resolution for the election of Mr. El-Ansary as a non-executive director of nib. I'll now take questions on this item of business and I'll address any questions from the floor first. Does anyone have any questions in relation to this resolution?

William Prentice: Welcome aboard, Mr El-Ansary. I hope I said that right. Do you own any shares in the company and do you -

Hisham El-Ansary: Not yet, but I -

William Prentice: Are you intending to?

Hisham El-Ansary: Yes, absolutely. We have a policy, I think, for all directors to at least match their director's fees in shareholdings, so I will intend to do that.

William Prentice: If it wasn't for that policy, would you have -

Hisham El-Ansary: I think it's important to stand behind the businesses that you are involved with, and so I absolutely would.

William Prentice: Okay, thank you.

Hisham El-Ansary: Thank you.

David Gordon: Thank you. Are there any other questions from the floor? If not, I'll check if there are any questions online.

Jordan French: There are no questions online, Chair.

David Gordon: Okay. Well, as the chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and I intend to vote undirected proxies in favour of item three. I now put to a poll the ordinary resolution that Mr. Hisham El-Ansary be elected as a non-executive director of the company. To vote, click on one of the voting options shown on the screen or on your device. Item four on the agenda is the reelection of Mr. Brad Welsh as a non-executive director of nib. Brad was appointed to the board of nib Holdings Limited in July 2023. In accordance with the ASX listing rules and nib's constitution, Brad retires and being eligible offers himself for reelection as an independent non-executive director. The proxy votes received prior to the meeting in relation to this resolution are now shown on screen, and I'll invite Brad to address the meeting regarding his reelection.

Brad.

Brad Welsh: Thank you, Chair, and good morning again, shareholders. I'm standing for reelection today, and I appreciate the opportunity to have served on this board for the past three years. I've learned a great deal about the nib group since you elected me, and I'm optimistic about our future. This company began in 1952 when workers at BHP Steelworks in Mayfield put their money together to cover each other's hospital bills. Many of you in this room are members of that fund long before it was ever listed in 2007 and have

held your share since. You've known this company far longer than I have. The founding idea was that looking after your people is not a cost of doing business, it's how business is done well. I think that's still true, and it's part of the nib that I'm most ambitious about. I've spent my career running mining operations rather than advising on them.

I'm a managing director and chief executive of Energy Resources Australia, and before I ran that, I ran one of the world's largest bulk site operations in Cape York. I've carried a profit and loss, a workforce, a licence, and multiple regulators. What that work teaches you is that long-term value is only ever built through continuous improvement, a culture of innovation, ambition shaped by technology, but driven just as much by effort and intent.

This board has set an ambition to build and improve our risk culture, and I support that without reservation. Across my years running mining operations, our best years commercially were always our safest years. Every time we performed well on safety and risk, our operation delivered higher returns to its shareholders, which means it comes down to people, who we hire, how we develop them, and who is ready to step up and what we reward. We have great people at nib. They've continued to innovate, to challenge, and to deliver results for shareholders in a high cost of living environment where every dollar a household spends has to earn its place. Those attributes matter more, not less. If you re-elect me, that's where my attention will go. The commercial performance of this group, the risk culture that underpins it, and the people who deliver both. It has been a privilege to serve.

I respectfully ask for your support.

David Gordon: Thanks, Brad. The directors with Mr. Welsh abstaining recommend that you vote in favour of the ordinary resolution for the reelection of Mr. Welsh as a non-executive director of nib. I'll now take questions on this item of business and address any questions first from the floor. Does anyone in the room have any questions in relation to this item? If not, okay, I'll check if there are any questions online.

Jordan French: There are no questions online.

David Gordon: Okay. As the chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and I intend to vote undirected proxies in favour of item four. I now put

To uphold the ordinary resolution that Mr. Brad Welsh be reelected as a non-executive director of the company. To vote, click on one of the voting options shown on your screen or on your device, and I'll now move on to item five, which is the reelection of Ms. Jill Watts as a non-executive director of nib. Jill was appointed to the board of nib in July 2023, and in accordance with ASX listing rules in our constitution, she retires and being eligible offers herself for reelection as an independent non-executive director. The proxy votes received prior to the meeting in relation to this resolution are now shown on screen. Here we go. I'll now invite Jill to address the meeting regarding her reelection. Jill?

Jill Watts: Thank you, Chairman, and good morning, shareholders. I'm seeking the shareholders' support today for my re-election as a non-executive director of nib. It's been my privilege to serve on the board since 2023 and to contribute through the audit, the risk and reputation, the nomination, and the clinical governance committees. During this time, nib has continued to navigate a dynamic healthcare environment while remaining focused on delivering value for members, shareholders, and the communities that we serve. My career has spanned more than four decades in healthcare and related industries in both executive and non-executive roles across Australia, Europe, South Africa, and Asia. I bring experience in governance, risk management, strategy, clinical quality, and organisational and digital transformation. Since joining the board, I've been very impressed by the dedication of both management and the board to support nib's purpose of better health and wellbeing. I remain fully committed to supporting nib as it pursues sustainable growth for shareholders and making healthcare easier to navigate and more affordable for our customers.

I would like to thank my fellow directors, management, and our shareholders for their ongoing support. If re-elected, I look forward to continuing to actively contribute to the board and helping guide nib through opportunities and the challenges that it faces ahead. Thank you for your consideration and support today.

David Gordon: Thanks, Jill. Okay. The directors with Ms. Watts abstaining recommend that you vote in favour of the ordinary resolution of the resolution for the reelection of Ms. Watts as a non-executive director of nib. I'll now take questions on this item of business and I'll start with any questions in the room. Does anyone have any questions here? If not, I'll check online.

Jordan French: There are no online questions.

David Gordon: Okay. As the chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution. You're going to get sick of me saying this. I intend to vote undirected proxies in favour of item five. I now put to a poll the ordinary resolution that Ms. Jill Watts be reelected as a non-executive director of the company. To vote, click on one of the voting options shown on the screen or on your device. This takes us to item six, which is seeking shareholder approval for Mr. Ed Close, the managing director and CEO, to participate in nib's long-term incentive plan via a grant of performance rights for the financial year commencing on one July 2026 with a four-year performance period. The proxy votes received prior to the meeting in relation to this resolution are shown on screen. The plan forms part of nib's remuneration strategy, and we've had some discussion about that already today.

It's designed to align the interests of executives and shareholders and to assist nib in the attraction, motivation, and retention of executives. In particular, the plan provides executives with an incentive for future performance, thereby encouraging those executives to remain with and contribute to the future performance of nib. A summary of the plan rules is set out in the schedule to the explanatory notes in the notice of meeting. The board, with Mr. Close abstaining, recommends that shareholders vote in favour of the ordinary resolution in item six, and I'll now take any questions on this item of business. If you have a

question, please make your way to the microphone. Is there anyone in the room with a question on this resolution? If not, I'll check online.

Jordan French: No chair, there are no online questions.

David Gordon: Okay, we're getting quite a page here. Good. As the chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and as you would expect, I intend to vote undirected proxies which are able to be voted on this resolution in favour of item six. There are voting exclusions applicable to this resolution which are outlined in detail on page 10 of the notice of meeting. So I'll now put to a poll the ordinary resolution which is displayed on the screen. To vote, please click on one of the voting options shown on the screen, sorry, on your screen or on your device.

Okay, that takes us to item seven, which is seeking shareholder approval to increase the aggregate fee pool available for non-executive directors from $1.9 million to $2.7 million per annum effective from one July 2027. The fee pool is inclusive of statutory entitlements, including superannuation. Just before I go further, I just want to make clear that what we're asking for here is approval in relation to the maximum amount that could be spent in relation to director's fees, not anything to do with the amount that is actually spent. And the last time that we looked at this, the aggregate fee pool was in 2017, I think, Jordan, and so it hasn't been increased since then. Now, allowing for inflation and the increasing complexity of the business, the regulatory and governance responsibilities, including things like the establishment of the new clinical governance committee that Jill shares and the need to maintain flexibility for future board succession and renewal, every so often we need to increase the maximum amount because the fees that catch up over time start to approach that number.

And so we consider the proposed increase appropriate and in the interest of nib and its shareholders, and we're recommending that shareholders vote in favour of the resolution in item seven. I'm now happy to take any questions on this item of business. If you have one, please feel free to go to the microphone. Oh, go ahead. No, okay, take turns.

Howard Coleman: More comments then, a question. I'm sure you're aware of the research that's been done around the world and particularly here by Peter Swan at the University of New South Wales that shows that boards that are bigger than seven members underperform boards that are between four and seven. So it seems like worldwide, the ideal size of any decision-making body and boards in particular seems to be between four and seven. So my comment is, and perhaps question as well that follows from it, is I hope this extra amount for the board pool isn't going to mean that the number of people sitting up the front on the board is going to increase beyond the numbers that it has been up till now.

David Gordon: No. Okay. So thanks for the question, and I both know of that research and agree with it. I think you'll see that nib has retained the same size board for many, many years, and there is no question that, notwithstanding my love for all of my colleagues, that the greater number of people we have around a table, the longer it takes to get to a decision on things.

Howard Coleman: Correct.

David Gordon: And so there is an efficient number, and I've been involved and shared boards of much larger numbers, and I know the inefficiency that can creep in. Having said that, it's also the case that the business is expanding and getting more complicated, and I'll give you a concrete example of that. So we had up until this year, three subcommittees of the board, the audit committee, the risk committee, and the people committee, and each of those committees need a chair from one of the non-executive directors and members, usually two other directors. And the idea is to help both allow that committee to go in depth into that area of the business and to then make recommendations to the board. It also means that the subset of directors who are on that committee can focus on that area, allowing other directors to focus on other areas so that there's an allocation and division of the task.

We have now four subcommittees, including the clinical governance committee, and if you think about how permutations of three directors amongst the number that we have fit across that, you'll quickly come to the conclusion that there is a fair amount of work involved in managing all of that. Now, that is not to say that our plan is to increase the size of the board by one or by 10, and it certainly wouldn't be by 10, but I do think it's important to flag that it's incumbent upon us, me as chair and all of my colleagues to ensure that the board can adequately carry out its role across all of the things that it does, including those subcommittees, and so we should always have an eye to the appropriate number of people to be sitting around the table. But I absolutely agree with you, Howard, that less is more.

Howard Coleman: Good, thanks. Just wanted to make that point.

David Gordon: Thank you. Already go ahead.

Chris Lloyd: In echoing a previous observation, in your introduction, you talked about the increasing complexity throughout the meeting we talked about simplicity.

David Gordon: I don't think those statements are in conflict at all. There's no question that the business is getting more complicated. I mean, most businesses are getting more complicated. The obligations on directors are getting more extensive. The regulatory environment is becoming more complex. The technological environment is becoming more complex, and the number of businesses that we're involved in continues to expand, which I think is a good thing. That does not stand in conflict with the aspiration for us to simplify the things that we do within each business. We do that via the quality of the management team, the use of technology, and a broad range of other things that Ed referred to earlier.

I understand the import, what lies behind your question, but I think for the reasons I've given, the task of directors of a public company is by no means reducing, it's expanding. Now, I'm also pleased to say that that does not reduce the number of people who seek to join our board, and as it was asked a little earlier, do we intend to appoint somebody to replace Anne's retirement? The answer is yes. And going through that process right now, I've been absolutely delighted with the number and the quality of the people who are very keen to join our board. So there's a balance here to ensure that we have good quality people, a

diverse range of people, the right number of people, and that we're able to complete the task that we are required to. And so yes, the business is getting more complicated. The number of things we need to be managing is expanding, and we have an absolute focus on trying to simplify that as much as possible.

I hope that answers your question. Howard, if the laws changed to make things simpler, I would be a great fan. Unfortunately, that's not my experience, and I'm sure not yours. Are there any other questions in the room in relation to this item? Because if not, I'll check if there are any questions online. Jordan?

Jordan French: Yes, there is one question from Mr. Stephen Mayne. As a former mutual with 122,374 shareholders, according to the latest annual report, we have one of the 20 largest share registers on the ASX. It is now almost 20 years since we demutualized with more than 200,000 shareholders. How many of our shareholders do we estimate are still active customers, and what sort of get out the vote campaign did we run for this AGM? Did even 2% of our shareholders vote by proxy on this proposed increase in the fee pool for directors, and were a majority in favour?

David Gordon: There was a lot behind that, and I'm not sure that I can answer the specifics of the number of shareholders who are also members. Do we have any information about that? Take it on notice? Yeah, exactly. Okay, so let's take that on notice and we'll write back to you, Stephen. In terms of proxy campaigns of our shareholders, there hasn't been any. I'm delighted that our shareholders are motivated enough both to attend a meeting like this and also to participate online in relation to the meeting, and we value that. And as I think I've made clear at the outset of this meeting and indeed at all former meetings, I think it's a great opportunity for shareholders to ask questions, and I absolutely encourage it as much as possible, which is one of the reasons why we run a hybrid meeting so that people can attend in person or if they can't, that they can attend online, and that is something that we will continue.

So I'm not exactly clear on what your question is getting at, Stephen, but the point of the matter is that we have a very healthy shareholder base. We have a very healthy membership base. There's an overlap, as you pointed out. The company today started off as a mutual in the Newcastle area many, many years ago, and so there are a large number of shareholders who are also members. I hasten to add that for those shareholders that aren't members and are listening, we'd love you to become an nib member, and if you are not even a shareholder and you're listening, we'd love you to become an nib member. So there's an active marketing campaign that the company adopts, and there are executives here who do that day in, day out, and that goes towards the performance that we've been able to achieve in expanding our share of the market.

I don't know that there's anything else I can add. Anything you'd like to add, Ed? No, that's fine. Okay. Thanks for the question, Stephen. Please, yes.

Salma Rahmani: Yeah. Hi, I am just here representing - What's her name? My name is Salma, and I am representing my super fund.

David Gordon: Lovely.

Salma Rahmani: And just to add to Stephen's question, he's right. We have to ask that question because I was a member and unfortunately, I kept my shareholding, so it means that I still have some good know that the company is good. But in terms of membership, yeah, I am one of those people that after 20 years I changed and that has to be taken on board and has to be seen why.

David Gordon: Sure.

Salma Rahmani: I mean, if I'm supporting my super fund, I just want that to be apparent and we have to do something about it.

David Gordon: All right. Well, thanks for the question, and it's delightful. It's much appreciated that you are voting with your wallet and your super fund in terms of support for the business. And the reality is that our products and services vary over time, and people's circumstances vary over time, and I'm sure there's a perfectly valid reason why you elected to move from one fund to the other. I'm sure having stood up now, you're going to get marketed by our people to see if you'll change back, and that's a good thing too. And that's the nature of business. Our intention is to provide the broadest range of policies at the most affordable prices and to provide our members with the benefits that Ed alluded to earlier. And so that's the market in which we find ourselves. Is there anything you'd like to add?

Ed Close: I would just love to pick up an offline conversation, understand what drove you to switch health insurers, and is there anything nib can do? We've got people here today to have a conversation.

David Gordon: There you go. NSCOs marketing, see?

Ed Close: Certainly, I think coming from the principle of, of course, we want to particularly commit to retaining our valuable members, especially so if they're also a shareholder, and we acknowledge the heritage. Brad touched upon nib's roots in Newcastle and BHP, and it's something that, as a team, we hold very tightly, so we're very keen for feedback. So look forward to maybe a discussion following the conclusion of the meeting.

Salma: Thank you. I mean, it is something that I'd rather, if we do have to get to that discussion, so at some point you just want to keep the privacy of things, but I wasn't meant to come and say that because the reason that I'm here, like I said, I have some confidence in the company, so that's why I'm here, and that's why I have more shareholding. But it's just because Steven just brought something that triggered me and just said, I mean, I have to point out that it is valid and we just have to look at that just in support to his comments, that's all.

David Gordon: All right. Thank you very much.

Salma: No worries. Thank you.

David Gordon: Are there any other questions? No questions online.

Jordan French: No further questions online.

David Gordon: Okay. As chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and I intend to vote undirected proxies which are available to be voted on this resolution in favour of item seven. There are voting exclusions applicable to this resolution, which are outlined in detail on page 10 of the notice of meeting. I now put to a poll the ordinary resolution, which is displayed on the screen. To vote, please click on one of the voting options shown on your screen or on your device. Okay. Item eight on the agenda seeks shareholder approval to amend nib's constitution to reflect legislative changes and to modernise a number of governance provisions. The proxy votes received prior to the meeting in relation to this resolution are now shown on the screen. I note that the explanatory notes for item eight of the notice of meeting were corrected on the 5th of November and an ASX announcement issued that day to confirm the update.

The marked up constitution published on nib's shareholder website when the notice of meeting was distributed accurately showed the proposed amendments. The marked up copy of the constitution showing the proposed amendments has been tabled at this meeting and is also available on nib's shareholder website. In addition, printed copies of the marked up constitution are also available at the registration desk. The proposed amendments include updates to support electronic proxy appointments and shareholder participation. They clarify certain requirements for direct denomination and address for automatic disqualification of directors and the company secretary, and they also modernise the board and committee circular resolutions, dividend and payment arrangements, and include a number of administrative and consequential changes. Importantly, the amendments also update the treatment of unclaimed dividends following changes to the New South Wales unclaimed money regime. The proposed constitution provides for unclaimed dividends to continue to be directed for charitable, benevolent, or community benefit purposes consistent with nib's current practise.

The board recommends that shareholders vote in favour of the resolution in item eight, and I'm now happy to take any questions on this item of business, firstly from the room. Does anyone have any questions? Anthea, go ahead.

Anthea Cudworth: Oh,

David Gordon: You can lift it. Oh,

Anthea Cudworth: Okay.

David Gordon: There we go.

Anthea Cudworth: I just wanted to ask one question, and it actually relates to the unclaimed monies change, which I appreciate was something that you had to adhere to. I understand you've honoured every single request for repayment of revoked dividends since 2018, which is really reassuring, and it is fantastic to see that you're looking to put the money towards the foundation. That's really excellent. The question that we've got is obviously resolution eight now reduces the period before a shareholder's legal entitlement from five years to 22 months. Given that very significant reduction, did the board consider introducing a

constitutional right for shareholders or their estates to reclaim revoked dividends rather than relying on that discretionary reimbursement?

David Gordon: So first of all, in relation to the period, just so everybody's clear, the New South Wales government by legislation has reduced the period in which monies fall into the public purse. So before it used to be if a dividend was unclaimed for six years and the company was still holding onto the funds, then the company had to pay that money to the government for their purposes. And in 2017, I think it was, nib passed a resolution with very, very substantial shareholder support that instead of that money going to the public purse, shareholders would rather unclaimed dividends were paid to the foundation so the foundation can do all of its good and charitable work. The New South Wales government has reduced that period from six years down to two. So there's been a very, very significant shortening, and you can draw your own conclusions about the reasons why the government might be minded to do that.

But the fact of the matter is that in order for us to continue to do the very thing that we've been doing for the last 10 years or so, that is apply monies that aren't claimed by shareholders to the charitable purpose of the foundation, we have to also reduce the period of time in the constitution so that we can pay those monies to the foundation before the new two-year period elapses and we're required to pay them to the government. And so that's what is included in this resolution, and that's the point that you're referring to. Anthea also made the point that if a shareholder happens to approach nib after the statutory period, previously six years, we have all of the time paid that dividend because we think it's important that shareholders are matched up with their dividends. That's one of the reason why you are shareholders, and we would like to see that there are no unclaimed monies, that every single dollar of dividend that we declare goes into the hands of shareholders.

Sometimes that doesn't happen because someone moves house or the bank account details change and we get requests to make those changes and we do and then dividends are paid. And the point being raised is should we somehow legislate in our constitution to do that? And I think I understand the reason for the question, but equally, I think about it from the point of view of all of the other shareholders that there comes a time when we need to be able to exercise discretion. We have never done so. We don't plan on doing so. Our unstated policy is always to pay the dividends. We'll probably continue to do that. And frankly, if there's unclaimed dividends at the moment and anyone is in that situation, we would earnestly suggest you get in touch with the company, make whatever changes are necessary so we can give the dividend paid to you.

Sometimes it happens when someone passes away, the details have never followed up, and those monies are genuinely unclaimed monies. And in that event, I think it's a great application for us to put those monies to work with the benevolent and the charitable purposes of the foundation. So I take your point on board, but I think we're very happy with the approach that we take and we hope, and it certainly seems from the proxy numbers, that shareholders continue to substantially support that position.

Anthea Cudworth: Okay, thank you.

David Gordon: Thanks. Are there any other questions from the floor? If not, I'll ask if there are any questions online.

Jordan French: No questions online.

David Gordon: Okay, great. As the chair of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and I intend to vote undirected proxies in favour of item eight. I now put to a poll a special resolution, which is displayed on the screen. To vote, click on one of the voting options shown on your screen or on your device. There being no further questions, I'll now pause to allow shareholders time to finalise their votes. If you need any assistance, please raise your hand. There are people around to help. Does anyone else in the room need any help in relation to voting?

Howard, okay? No? Yep. Okay. No, that's no problem. If you have any trouble with the online system, you can always use the manual approach, which is the information which is on the back of your voting card. And we still accept votes manually as well as automatically. All right. I now declare the poll on all resolutions closed, and the results of the poll on all resolutions will be lodged with the ASX and made available on our shareholder website later today. A recording of today's meeting will be available shortly on the shareholder website. Shareholders and guests, that being the end of the business, I'd like to wish you continued good health and wellbeing and declare the meeting closed. Thanks for attending, and we look forward to joining as many of you as wish to with a cup of coffee outside. Thank you.

End of Transcript