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Steve Crane: Ladies and gentlemen, good afternoon. My name is Steve Crane, Chairman of nib Holdings Limited, and on behalf of the nib Board, it gives me great pleasure to welcome you to our first ever virtual Annual General Meeting. Given the changing nature of the COVID-19 pandemic and associated restrictions, we believe that hosting the 2020 AGM virtually is the most responsible and safe way to conduct this year's meeting. You will still be able to vote and ask questions of your Board via the webcast, so please follow the instructions available via the website and as we will discuss today.

Before we begin today's meeting, I would like to acknowledge the Traditional Custodians of Country throughout Australia and recognise their continuing connection to the land, waters, and community. I pay my respects to them and their culture and to Elders both past and present. I would also like to acknowledge the Traditional Custodians of the land on which we meet today and extend my respect to the Aboriginal and Torres Strait Islander peoples who are present today, for they hold the memories, the traditions, the cultures and the hopes of Aboriginal and Torres Strait Islander peoples across the nation.

For our New Zealand viewers, Kei ngā Iwi, kei ngā Mana, Tēnā koutou katoa!

It has now gone past 1:00 pm here in Sydney and the Company Secretary has advised me that a quorum is present, and as such, I formally declare the meeting open. I would now like to introduce the nib representatives who are joining me here in the studio today. Firstly, Independent Non-Executive Director Donal O'Dwyer.

Donal O'Dwyer: Good afternoon.

Steve Crane: Anne Loveridge.

Anne Loveridge: Good afternoon.

Steve Crane: Lee Ausburn.

Lee Ausburn: Good afternoon.

Steve Crane: David Gordon.

David Gordon: Good afternoon.

Steve Crane: And Jacqueline Chow.

Jacqueline Chow: Good afternoon.

Steve Crane: Managing Director, Chief Executive Officer Mark Fitzgibbon.

Mark Fitzgibbon: Hi, everybody.



Steve Crane: And Group Executive Legal and Chief Risk Officer, General Counsel and Company Secretary Ros Toms.

Roslyn Toms: Good afternoon.

Steve Crane: Joining us via webcast from Victoria is Group Chief Financial Officer Nick Freeman. Unfortunately, Nick could not be with us in person due to the current COVID-19 restrictions. Say hello, Nick.

Nick Freeman: Good afternoon.

Steve Crane: It's good to see he's got that nib livery up there. Well done. External lawyers King & Wood Mallesons, our share registry Computershare, and auditors PricewaterhouseCoopers.

Shortly, I will present my report on nib's operations for the 2020 financial year before handing over to your Managing Director and CEO Mark Fitzgibbon, who will give his year in review and provide an outlook for our business for the 2021 financial year.

Following Mark's presentation, I'll then address the items of business as they appear on the Notice of Meeting, which are: consideration of the Financial Report, Directors Report and Independent Auditors Report of nib for each of the 2020 financial year; consideration of the Remuneration Report; the election of Mr David Gordon as Non-Executive Director of the Company; the re-election of Ms Lee Ausburn as a Non-Executive Director of the Company; and the re-election of Ms Anne Loveridge as a Non-Executive Director of the Company; and approval of Mark Fitzgibbon's participation in the long-term incentive plan.

Today, we're also bringing a special vote to our meeting, the People's Choice Vote. Shareholders joining us online have the chance to vote for one of three nib foundation Health Smart partners to receive a share of \$40,000 in funding. Waves of Wellness, Cancer Council of Queensland and Life Education New South Wales are the three charities you can vote for, who are delivering impactful health promotion and prevention programs for young Australians. Further information on these charities is currently on the platform.

Voting is open now on your screen and will close after you hear from our Managing Director Mark Fitzgibbon. I'll look forward to sharing the results with you at the end of the meeting.

Shareholders will be given the opportunity to ask questions in relation to any aspect of nib, including its management. Responses to such questions or general matters of business will take place under the first item of business. For subsequent agenda items, I will only allow questions and comments specific to those items.

A reminder that to ask a question from the online platform, please follow the instructions shown on your screen. You must be logged in as a shareholder to do this. Questions via the online platform are able to



be submitted now. Questions via the telephone line will be answered following completion of online question and responses.

I will endeavour to answer all relevant questions from shareholders during today's meeting and if we receive similar questions regarding the same topic, we will respond to those questions collectively. However, as Chairman I reserve the right to rule out of order any question or questions I consider to be outside the scope of the meeting. We have also received a number of written questions from shareholders prior to today's meeting and I confirm that any shareholder who has submitted a written question will receive a written response from nib.

We recognise that a significant number of our shareholders are also nib members. If you have a question relating to your health cover policy, please contact us on 13 14 63 or by emailing us at nib@nib.com.au.

After the Financial Report, Directors Report and Independent Auditors Report have been considered, we will then deal in turn with each item of business as set out in the Notice of Meeting. Please note that copies of nib's 2020 Shareholder Review, Annual Report and Notice of Meeting are available on our website nib.com.au/shareholders. Participants who have logged in to the online platform as a shareholder will be able to vote once I have opened the voting. I will provide further instructions before the business of the meeting.

I would now like to present to you my report on nib's performance for the fiscal year 2020. The unprecedented events of fiscal year 2020, which started with the catastrophic drought and bushfires, only to be followed by COVID-19 global health pandemic, have caused widespread devastation and despair among the communities in which we operate around the globe. While the nib Group hasn't been immune to the challenge, as you will expect, we have remained focused and responding appropriately to the needs of our members, travellers and employees as well as ensuring our own business sustainability.

I am very proud to say that nib has been swift and deliberate in our response to COVID-19. To date, our support package totals more than \$45 million and includes a six-month postponement of the 1 April 2020 health insurance premium increase as well as premium waivers and suspensions. We also waived the 1 October 2020 premium increase for six months for our arhi members on JobKeeper and JobSeeker.

To ensure our members had access to appropriate health cover, we expanded coverage for chest, lung, kidney and bladder or other treatments related to COVID-19 across all levels of our hospital cover at no additional cost. Responding to the frontline health crisis when the pandemic first began and the short supply of PPE, we also sourced and donated 100,000 surgical masks to healthcare and allied workers.



We have also donated more than \$1.5 million to community and clinical initiatives in Australia and New Zealand.

Over the course of the year, the Board has been committed to keeping our shareholders, particularly our 136,000 retail shareholders, up-to-date on the impact of COVID-19 through communications such as letters to shareholders.

Unfortunately, with no real end in sight for the pandemic, it appears for the foreseeable future that we need to live and adapt as best we can to the impact of the coronavirus. I want to assure you that the nib Group is in very strong shape and remains as purpose driven as ever. We won't lose sight of the crucial job we have in helping to protect our members and travellers against the financial risk of disease, sickness and injury and enabling them to quickly access world-class healthcare.

While we understand the health and economic impacts of COVID-19 have caused so much misery and uncertainty around the globe, for our businesses, we also see opportunity. The pandemic has clearly heightened the potential risk of disease and need for protection. We have accelerated our plans to better protect disease risk amongst our members and prevent or better manage those risks.

As our Managing Director Mark Fitzgibbon will touch on later, we took a giant stride in our ambitions to make our value proposition as much about healthcare prevention as it is about cure, with the creation of a joint venture, Honeysuckle Health, with global healthcare company Cigna. Honeysuckle Health is a very exciting and significant step in our shift from "sick care" to "well care" and being much more about improving members' health and wellbeing rather than just being there when they get sick or injured.

We've also continued to work as hard as possible to improve health insurance affordability and value. Our 2020 premium increase of 2.9% was well below medical inflation, our lowest in 17 years, and the sixth year running that we've been able to deliver a premium change lower than the previous year.

Private health insurance reform continues to be a hot topic and we welcome the recent announcement in the Federal Budget to help improve health insurance transparency, efficiency and value. We are especially supportive of the Commonwealth's plans to review current risk equalisation arrangements which discourage young people from taking out private health insurance. We look forward to engaging with industry stakeholders and the government as part of the review process in the months ahead.

Our charitable arm, nib foundation, contributed \$2.1 million during the year towards various community and health prevention initiatives consistent with its charter to support the health and wellbeing of the communities we serve. The foundation's various partnerships and grants reached over 740,000 people during the financial year 2020, and since inception in 2008, the foundation has distributed over \$21 million in funding, and we're very proud of that.



On behalf of the nib Board, I would like to congratulate the nib foundation team for their unwavering commitment and dedication to improving the health and wellbeing of communities, and particularly the vulnerable.

While our business strategy and very capable management team have nib well positioned to navigate the health economic effects of the global pandemic, our financial year '20 results were somewhat mixed, with COVID-19 a key factor. In what were tough macroeconomic conditions, the Group revenue grew 3.4% to \$2.5 billion and Group underwriting - operating profit of \$150.1 million was disappointing and down on last year's \$201.8 million.

It's worth noting the operating profit result has absorbed the impacts of COVID-19, and in addition, we have made a \$98.8 million claims provision as an estimate for treatment that was deferred in financial year '20 due to the coronavirus. It is prudent to cover what we best estimate will be a claims catch-up over the course of financial year '21.

While COVID-19 created some challenges in terms of our operating environment, pleasingly, our member first focus saw our member satisfaction measure, or net promoter score, improve to 34.8 from last year's 32.5.

I want to thank all of our employees who have put the interests and wellbeing of our members and travellers front and centre to deliver on our promise.

This is a tremendous reflection of nib's workplace, culture, values and organisational capability. Financial year '20 investment income was impacted by volatile equity markets with net investment income down 54% to \$16.6 million, while Net Profit After Tax of \$89.2 million was down approximately 40%.

The reduction in earnings per share to 19.8 cents was also down 40% and was disappointing. Clearly, there are hurdles to tackle across the Group. Notably our travel insurance and distribution business, nib Travel which is operating in a very difficult market due to travel restrictions.

The full year dividend of 14 cents per share, fully franked, while down on last year still represents a payout ratio of 71% of the financial year '20 Net Profit After Tax. The final dividend of 4.0 cents per share was paid to shareholders on 6 October 2020.

In arriving at the final dividend, the Board closely considered a number of scenarios and the Group's capital position. Acknowledging ongoing COVID-19 uncertainty and shareholder expectations, we believe the final dividend constitutes a prudent and balanced position.

During the year we've continued to enhance our sustainability capability or what is often termed, environmental social and governance or ESG. Driving our efforts is the genuine belief that what is good



for the communities in which we operate is also good for nib and with that our shareholders.

While I've already noted the fantastic work of our nib foundation to help people and communities live longer, healthier lives, we've also made great progress in other areas. Just recently nib was named one of the world's most diverse and inclusive companies as part of Refinitiv's 2020 Diversity and Inclusion Index.

Overall, nib placed 87th globally in the Refinitiv 2020 Diversity and Inclusion Index and was one of only nine Australian companies included in the Index.

Last week, nib published our inaugural Reflect Reconciliation Action Plan, reflecting our commitment to work towards meaningful and effective reconciliation with Aboriginal and Torres Strait Islander peoples in Australia.

As a healthcare business we especially view population health as the greatest opportunity to make a difference. There is no better example of this than our partnership in New Zealand supporting Māori iwi, Ngāti Whātua Ōrākei, which is designed to improve access to quality healthcare with the aim of improving health outcomes for their families.

This partnership is delivering some great results and we're looking to expand this capability to include other Māori partnerships and geographies.

Succession planning and having the right mix on the Board and among our Senior Management regarding skills, diversity and experience remains a priority for our Board. In line with this, Non-Executive Director, Christine McLoughlin recently retired from the Board after almost 10 years.

Christine is one of Australia's most respected and astute Company Directors and she has made a wonderful contribution to nib's growth and success. I would really like to personally thank her for her passion, insights, leadership at nib over almost a decade.

We also welcome David Gordon to the Board who you will hear from later in the meeting. David has over 20 years' experience as a Director of both public and private companies, and more than 30 years in corporate advisory roles to Australian and International organisations and is already making a valuable contribution.

To conclude, while our financial and operating results for Financial Year '20 and into early Fiscal '21 continued to be impacted by COVID-19, your Board is very confident nib's business and strategy and very capable Management Team led by Mark have us well-placed to continue to deliver strong, sustainable, and strong returns to you, our shareholders.

I would like to thank my fellow Directors, our Executive Team, and all our wonderful employees across the nib Group for their ongoing commitment and sense of purpose to helping deliver another successful



year.

I would now like to introduce Managing Director, Mark Fitzgibbon, who will provide his summary of the year and outlook for the period ahead. Mark.

Mark Fitzgibbon: Thanks, Steve and g'day everybody. I'd also like to pay my - acknowledge the traditional owners of the land from which we're presenting today and pay our respects.

Look, I'm presenting a lot of information today. Some of which will be very familiar to many of you but having said that there is some new information to share today. So for those of you who are familiar with this information, I hope that's of some value to you today.

I always like to start with this slide because it just highlights the primacy of our mission as a business. This is the way we think about which is basically to help people and support people when they're in need of healthcare.

You can see the massive contribution we make towards healthcare in this country. Last year we funded over 350,000 hospital admissions. You can see a little bit of a breakdown of the case mix of that. Over 3.5 million ancillary visits.

Having said that three years from now, I'd like to think we're talking as much about how we kept people well in the first place and out of hospital and not needing the sick care that we provide today because of the success we've had in predicting risk and individuals and keeping them healthy and well.

I'll talk a little bit more about that further on when we look forward. Again numbers, which will be very familiar to you, all of these numbers and with not wanting to make excuses, but all these numbers are impacted by COVID-19.

So our revenue growth there, which took us to \$2.5 billion, still impressive in very difficult market conditions, but it would have been higher if not for a number of COVID-related factors, including the fact that we gave - deferred our 1 April premium increase for all of our 1.2 million arhi members.

COVID-19 played out in terms of our profitability as well. Something to note there that profitability was impacted by a very large provision, a provision we made recognising claims that were avoided around April and May this year at the nadir of COVID-19, we expect we'll come back in this current financial year. I'll come back to that point shortly.

Steve's already mentioned the fact that our investment income was down again, impacted by market conditions with COVID-19 having an obvious role to play in that. You can see how that all played out into the related numbers; our earnings per share, our Net Profit After Tax and of course our important dividend.



There might be a lot of information on this slide. So I'll just call out a few of the key points. Our core flagship business, arhi, did very well in difficult market conditions. It grew its policyholder base by almost 2%, 1.9%, which doesn't sound like a lot in the scheme of things, but it accounted for more than 40% of the entire industry growth during last year.

New Zealand had a similar experience with strong growth and strong margins in the business and notwithstanding COVID-19's obvious impact on the inflow of International Students and Workers, our International - those businesses still did pretty well under the circumstances.

As I've touched upon, profitability was impacted by the provision. So I won't go into any more depth about that. I'll comment further on that provisioning and what we're at now, actually seeing against that provisioning that was made, what three or four months ago now and travel was, as Steve's already mentioned, took a torpedo consequential to COVID-19 and the restrictions on international travel.

We're a positive company. We like to search for silver linings and there are quite a few - Steve has already mentioned the business remains very well capitalised. Well, beyond our we're holding a level of capital well beyond our prudential requirements and our own internal targets.

There is certainly evidence of heightened awareness of risk, of course in society and the community, of the risk of disease and the need for financial protection, the kind of which we provide. I'll provide some evidence of that a bit further on.

We are seeing some relaxation of the restrictions on foreign travel, some experimentation going on with international students by some Universities and some additional migration associated with the needs of the rural workforce, such as seasonal fruit pickers.

So we are seeing some signs of recovery in international workers and students. Our operating expenses are down and continue to be pushed further and further down as we drive for higher levels of automation and process improvement and efficiency in the business.

Honeysuckle Health is the star rising. I'll talk to that a bit further on. Some of our experimentation we're doing in respect of how we pay for hospital and other clinical treatment is showing very good signs of success.

So for example, this Clinical Partners program we have with a network of orthopaedic surgeons in Newcastle, and now Wollongong is providing a much enhanced experience for our members, particularly in terms of avoiding out of pocket costs, which we know are a real bane in the experience of many of our members.

Here's some new information that we thought worth sharing, particularly given the ongoing uncertainty



around COVID-19 and its impact on the marketplace and our own businesses.

So, these are the first quarter results for this current financial year. So, in other words, July, August and September, and they're compared with last year's results.

So you can see in arhi, our mainstay business, sales are actually up 9%, again indicative of the kind of heightened community awareness there is about the risk of disease and the need for cover.

Net growth is actually up 60% quarter on quarter. Now, one swallow doesn't a summer make, we all appreciate, but it's a decent start to the year. While macroeconomic factors could yet work against the economy as a whole, we're feeling reasonably comfortable with our start to the year.

The international workers and students' numbers quarter on quarter are down as you'd expect, because last year we didn't have the kind of restrictions in the first quarter that we've suffered this year or experienced this year.

New Zealand figures look a little bit down, but that's because last year was simply so good. Last year we picked up a very large corporate account. So put that aside, this year's numbers are still performing very well and not inconsistent with what we're seeing in Australia in respect of the marketplace and consumer sentiment.

Of course, Travel is way down. Given the restrictions on international travel and the fact that people just aren't travelling. So that's the sales front.

The next part of that graph shows the claims experience we're having. So, this is divided into hospital cover and ancillary cover. You can see from that first segment there, that if you take out Victoria, which has continued to experience stage four style lockdowns, the country year-on-year in claims expenses growing at about 6.1%.

Now that's consistent with the provisioning that we allowed for at 30 June. Maybe a little bit less than the provisioning we allowed for at 30 June. So this is the surge on activity, which is coming back, which didn't happen in, as I mentioned, April and May last year.

If you take into account Victoria and what's really happening there, at a national level, the year-on-year growth is only 3.2%, which is well beneath the kind of provisioning we were contemplating at around June.

Now, that's, again not a sign of things to come necessarily, but it's a point of comfort rather than a point of distress when you think about the extended provisioning we made at 30 June.

Probably a better indicator of what's happening with hospitals and the catch-up of treatment avoided in April and May and still being avoided in parts of Victoria are eligibility checks. This is where people



contact us to establish whether or not they're covered for a certain procedure.

So again, consistent with the claims experience, we're seeing growth. If you exclude Victoria, we're about 7%, but including Victoria, growth of only about 2.4%. Ancillary benefits, similar dichotomy; with Victoria - without Victoria, we're seeing about 11% growth, again, consistent with our provisioning, but with Victoria, growth is only about 1.5%.

So no one is declaring victory in terms of the accuracy of our provisioning but certainly the signs based upon the first quarter give us some level of confidence and comfort. Our business strategy will be familiar to most of you. It's around the personalisation of the healthcare experience for our members, I'll come back to that in a moment. It's certainly around affordability and sustainability - how do we maintain membership?

How do we maintain participation in the marketplace across Australia and New Zealand, in the face of rising healthcare costs and rising premiums, and a lot happening in the business in that front in terms of, not only efficiency, but better managing utilisation, and as I started off by saying, hopefully keeping people healthy and well and out of hospital in the first place. We're looking to grow our arhi business.

We have a portfolio of assets and businesses built around our traditional core business we call arhi, but arhi we recognise is still the economic engine for the company and expect we'll be continuing to invest in that core business, and continuing to grow that business. Economies of Scope is just a fancy terminology to explain the fact that we're taking this core and developing in related businesses, such as International Workers and Students in New Zealand, and Travel Insurance.

Racing the Red Queen is just our characterisation of the need for innovation and experimentation, and with the experimentation, sometimes recognising sometimes success and sometimes, not so much success. This notion of personalisation we have is that we want to transform the business away from being one that's just there for our members once they're already sick or injured.

That's been our tradition, it's been a tradition of most healthcare systems, not just private healthcare systems, but social healthcare systems like Medicare. We believe we're able to become more relevant to our members in that respect, basically by providing them with insight into their health risk and means to prevent those risks, and services and products designed to do just that.

Honeysuckle Health is a new joint venture we've created with a very large, Global USA-based company, the Cigna Corporation. They're a \$60 billion company located in the USA, and the purpose of that joint venture is two-fold, as this slide demonstrates. Firstly, it's there to apply data science to take as much information we can gather about individuals, interpret that information, and be able to present them and their doctors with a really detailed and reliable insight into the risk that individual faces.



Then, as a consequence of that person understanding their risk, and how they might avoid or mitigate that risk or prevent the risk of disease, to provide them with the broad range of healthcare products and services to that end. So this is a future where we're not just about connecting our people with doctors and hospitals and dentists once they already need attention.

This is a world where we're actually hooking them up with doctors and other providers, preventative services which help them maintain their health based upon their risk profile, and as I've mentioned a couple of times, keep them healthy and well and out of hospital. Honeysuckle Health will, in some cases, deliver those preventative services directly itself, or subcontract to other providers of preventative and management services.

I'd like to think you'll be hearing more and more about Honeysuckle Health into the future, and how it's making such an enormous contribution to this vision we have, of being as much about the healthcare of our members rather than just their sick care.

This next slide is just an outlook of how we're thinking about the near, medium and longer-term future. We shared that at the time of our Annual Results back in August, but I might just reflect some more. In arhi, as I've touched upon, we are seeing strong sales and retention performance. Again, it's only one quarter, but we welcome the development we're seeing in the market.

We're certainly seeing a lot of new to category - people come back into healthcare, so that's welcome, because it means we're not just churning the same people across the various health insurers, we're actually attracting new members to the system, particularly younger people. We're targeting growth of 2% to 3% for the year and beyond. As I've touched upon, the claims experience remains clouded by COVID-19, especially given the second round of closures we saw in Victoria. That should become clearer by the half-year.

There continues to be a heavy emphasis on operating expenses, and we target 6% Net Operating Profit in arhi, while acknowledging there is some pricing risk around that. We were able to apply the 1 April increases on 1 October this year, so they were deferred for our members for a period of six months. There's another pricing round coming up on 1 April next year.

I expect that will play out as usual, but also as usual, we expect there will be some scrutiny on our price applications and the inevitable media exposure and politics which surround that. We're certainly on the lookout on an opportunistic basis, for any M&A opportunity - whether or not the industry becomes more worried into the future, and therefore some health funds start looking around for merger partners, which has often been predicted, only time will tell.

In respect of International Workers and Students, we still are making sales, even though, as I've mentioned, they've been hampered by travel restrictions. Profitability's holding up okay against last year.



There are some competitive pressures in the marketplace around International students. A number of our competitors have caught on to the idea that this is a very lucrative, attractive market, and one that's going to grow and grow.

We do expect a strong recovery post COVID-19. Not that we celebrate the conditions in Europe and the USA, but they're conditions which will likely encourage more and more students and International workers to see Australia as a safer destination for them. New Zealand is experiencing good sales conditions as I've mentioned. Their claims experience with COVID-19 is similar to ours, except they don't have the consequence of Victoria, so we are seeing claims catch-up at around 10% over and above last year.

We're making very good progress - Steve touched upon it earlier, in respect about our Māori business, our iwi business. This is where we're actually partnering with New Zealand Māori tribes to improve the health and wellness of their tribal population. So we have one tribe already who we've been working with for three years, of about 5,000 people - Ngāti Whātua Ōrākei, but we see opportunities to establish similar partnerships with many additional tribes.

nib Travel's an interesting one. Of course, things are very difficult at the moment. We're reacting to that by taking costs out of the business, recognising that we're receiving very little revenue. But we're not going to take that many costs out of the business that in any way we damage the business, because we still see the business and its various brands as being very powerful, particularly the World Nomads brand. So we will weather the storm, keep the business on idle, awaiting normal market conditions to return and review the situation when things do improve, maybe in 12 or 18 months' time.

China, we're still whacking away at. We've been waiting for some time to actually procure a licence to sell travel insurance, and although I mentioned it before, I think we're inching towards it, and I expect we'll have some announcements to make about that in the next three to six months. In the meantime, the business we have there, which is about 30 people, is already providing health management services to a number of corporations in China, and doing very well, generating - okay, only about \$2.5 million in income, but from tiny acorns mighty oaks grow.

So I'll leave it at that, and Steve, thanks for the opportunity, and thank you everyone today for participating and I look forward to taking any questions further on, cheers.

Steve Crane: Thank you Mark. Please note, voting for the People's Choice Vote is now closed and the results will be shown at the end of the meeting. So, I'm sure those charities will look forward to the benefit of that money. We'll now proceed with the formal business of the meeting. I propose to take the notice convening the meeting as read, and to maintain the flow, I will dispense with the formality of moving or seconding resolutions, as all matters are properly before the meeting.



Please note, that matters not pertaining to the meeting will not be covered today. The voting procedure for today's meeting will require all resolutions to go to a poll as it's important that we recognise the voting intentions of all our shareholders. Maybe, like I can say in America, maybe they've got to make sure they get all the votes, I don't know. Participants who have logged - that might have been too political, but there you go.

Participants who have logged in to the online platform as a shareholder will be able to vote once I have opened the voting. When I declare that voting is open, a voting icon will appear on screen and the meeting resolutions will be displayed. To vote, click one of the voting options, your response will be highlighted. To change your vote, simply click a different option and that will override it. The number of items you have voted on or are yet to vote on, is displayed at the top of the screen, and votes may be changed up to the time voting is closed.

Item 1 on the Agenda is to receive and consider the Financial Report, Directors' Report and Independent Auditor's Report of nib and the entities it controlled for the Financial Year ended 30 June 2020. These documents were sent to shareholders who were on the nib register on 25 September 2020. The Notice of Meeting, Proxy Form and other associated documents were dispatched as required by the *Corporations Act* on 2 October 2020.

Shareholders have received this information in accordance with their selected nib shareholder communication preferences, and please note that if you haven't notified nib's share registry regarding your shareholder communications preferences, the default preference is that you will receive the Notice of Meeting, Proxy Form and other associated documents in hard copy. If you would like to discuss or change your nib shareholder communications preferences, please see or contact our share registry provider, Computershare.

I now put before the meeting, nib's Financial Report, Directors' Report and Independent Auditor's Report, and I would like to remind you that this is the only item on today's Agenda where you have a formal opportunity to ask questions or make comments about the performance of nib and its management. I would also like to advise the meeting that Mr Scott Fergusson, Partner at PricewaterhouseCoopers is here today and available to respond to questions at this time.

I remind shareholders that the Directors are responsible for the preparation and presentation of the Financial Report. The Auditor's responsibility is to conduct an audit and to give an independent opinion on that Financial Report. I note that the Auditor has determined that there have been no valid questions received from shareholders prior to the meeting.

Any questions in relation to these Reports or any aspect of nib's operations or its management generally, will be addressed now. I will now answer any questions or comments relating to this



resolution from the online platform first. Ros, are there any questions?

Roslyn Toms: Yes, Chairman. I have one question from Colfam Superannuation. Mr Chairman, on behalf of Teaminvest members, I'd like your assurance, that COVID restrictions permitting, we will be revering to a physical AGM in 2021. Our first preference would be a hybrid AGM so shareholders could attend in person or virtually.

Steve Crane: Yes, thanks very much. I suspect this is going to become the norm. Yes, I'm absolutely certain that, provided we can, we will definitely have an in-person meeting, but we will also provide the opportunity for people to come in via video link as we've done this time, because I think that's the way people want to operate now. But we will definitely have an in-person meeting.

I think it's much more engaging. I'm standing here reading screens and looking at my Directors, and it's pretty impersonal. So, to be quite honest, I actually enjoy being in front of people who are interested in the Company and myself, so I'm sure that's what we'll do. Thanks, Ros, any other questions?

Roslyn Toms: There are no further questions in relation to Item One from the webcast.

Steve Crane: Thanks, Ros. I'll now answer any questions or comments relating to this resolution from the telephone line. The operator on the telephone line, if you can tell me if there are any questions please?

Operator: There are no further questions from the telephone lines.

Steve Crane: Thank you. The other thing is, I think it results in less questions, but there you go.

Now that we have considered the reports, we will deal in turn with each of the resolutions set out in the Notice of Meeting. The voting procedure is as follows, I will open all resolutions to a poll, voting will remain open until the end of the meeting. I'll explain each resolution, then there will be an opportunity for questions regarding the resolution. At this time, I will inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.

Voting to pass a resolution will be determined by a full poll, results showing the combination of those votes cast on the webcast and the proxies received prior to this meeting, or prior to the meeting. Poll results for all resolutions will be shown at the end of the meeting after voting has closed. I declare that voting for all resolutions is now open.

Item two on the agenda relates to the Remuneration Report contained within the Financial Report for the 2020 Financial Year. In accordance with the *Corporations Act* this vote is advisory only, and the outcome will not be binding on the Board. In the Remuneration Report we have endeavoured to provide shareholders with clear and comprehensive information on the terms of, and rationale behind, nib's Remuneration Reward Framework.



nib's approach to remuneration is simple and underpinned by a strong governance framework. Our philosophy needs to be fit for purpose, aligned to our organisational strategy, we need to ensure it keeps pace with our growth aspirations, and allows us to continue to attract, motivate, develop, and retain the right people to lead the nib Group.

Consistent with our approach in previous years, we are actively engaged and seek regular feedback on our Remuneration Framework from key interest groups including shareholders, proxy advisers, and other shareholder representative groups including the Australian Shareholders Association.

The Board believes that nib's Remuneration structure creates an incentive for exceptional performance from our executives, delivers financial reward to them when you invest in nib – when your investment in nib has increased in value, and that it is competitive and reflective of comparable roles in the market.

The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report of nib for the Financial Year ended 30 June 2020, as set out in the Director's Report.

I will now answer any questions or comments relating to this Resolution from the online platform. Ros, do we have any questions?

Roslyn Tom: Chairman, there are no questions in relation to Item Two.

Steve Crane: Thank you. I'll now answer any questions or comments relating to this Resolution from the telephone line. Operator, is there any questions?

Operator: There's no further questions at this time.

Steve Crane: Thank you. There being no further discussion I will now reveal the proxies received prior to the meeting in relation to this Resolution, which will now be displayed on the platform. As the Chairman of the meeting, and I'll just remind people that we'll close these at the end of the meeting so that there's still time to vote. As the Chairman of the meeting, I have been appointed proxy by some shareholders to vote on this Resolution, I intend to vote undirected proxies that can be voted on this Resolution in favour of Item Two.

Please note, once again under the *Corporations Act*, this Resolution is advisory only, and does not bind the Directors or the Company. I would like to note that there are voting exclusions for this Resolution, these exclusions are outlined in detail on page two of the Notice of Meeting and are now displayed on the platform. I know it's quite a thing.

I'll put to a poll the Resolution that the Remuneration Report of the Company for the Financial Year ended 30 June 2020 as set out in the Directors' Report is adopted. To vote, click one of the voting options as shown on the platform. I'll just give you a moment to make sure that everybody is comfortable with that.



I usually sit here, and I've got a little screen that tells me everybody's voting, but unfortunately in this process I don't have that, so I'm just going to talk for a second, so you've got time to make sure you've got your vote organised.

I'll now move to Item Three, just remembering that if you've missed or want to change something you can still do that up until the end of the meeting when I'll say that the voting is closed.

Item Three on the agenda is the election of Mr. David Gordon as a Non-Executive Director of nib. Mr. David Gordon was appointed to the Board as an Independent Non-Executive Director of the Company in May 2020 pursuant to the Constitution, which allows the Board to appoint a Director to fill a casual vacancy or appoint a Director as an additional Director on the Board.

In accordance with ASX listing rules, and nib's Constitution, David retires and being eligible offers himself for election as an Independent Non-Executive Director. The Notice of Meeting provides an overview of Mr. Gordon's professional experience, and I will now invite David to address the meeting regarding his election. David.

David Gordon: Thank you, Steve. Good afternoon, ladies and gentlemen. As the Chairman has mentioned, today I offer myself for election as an Independent Non-Executive Director to the Board of nib following my appointment by the Board in May this year. As this is my first nib AGM, and the first time that I'm officially speaking to you, I thought I would tell you a little bit about myself over and above what is described in the notice paper.

I'm a lawyer by training, having been a solicitor and partner of the firm now known as Herbert Smith Freehills, and my area of practice was mergers and acquisitions, capital raising, reconstructions, and general corporate aw.

I retired as a partner in the mid-'90s and have since that time advised companies and their Boards and acted on Boards both private and public. Over the last 20 years or so I've founded and invested in businesses particularly businesses with a technology, media, or telecommunications focus, and typically acted as a Director or Chairman on the Boards of those businesses.

So, I do not come from the healthcare sector or from the insurance sector. I believe that I bring to the nib Board, and if elected will continue to bring, considerable commercial experience, a growth focus, and a perspective on the technology and digital opportunities and challenges that will form a key part of nib's future. I also bring my professional background in corporate law and Board experience in governance matters, as well as a very clear shareholder focus and results oriented outlook.

I have very much enjoyed the short time that I've had on the Board to date, and have been highly impressed by the intellect, dedication, and innovative thinking of the nib management team. The



Company has achieved considerable growth and success over a long period, and if I'm elected today, I look forward to working with my fellow Directors and the management team to continue that success for its shareholders and members, and for its wider stakeholders.

Steve Crane: Thank you, David. The Directors, with Mr. Gordon abstaining, recommend that you vote in favour of the election of Mr Gordon as Non-Executive Director of nib. I'll now answer any questions or comments relating to this Resolution from the online platform. Ros, are there any questions?

Roslyn Toms: There are no questions, Chairman.

Steve Crane: Thank you. There are no questions. I will now answer any questions or comments regarding this Resolution from the telephone line. Operator, any questions?

Operator: No further questions at this time.

Steve Crane: Thank you. There being no questions, I will now reveal the proxies received prior to the meeting in relation to this Resolution, which are now being displayed on the platform. As the Chairman of the meeting, I have been appointed proxy by some shareholders to vote on this Resolution, I intend to vote in favour of the resolution detailed in Item Three for proxies open at the Chairman's discretion.

Please note that as this is a Resolution as an ordinary resolution, more than 50% of votes cast by shareholders are required to be in favour of the Resolution for the Resolution to pass. I put to a poll the Resolution that Mr. David Gordon be elected as Non-Executive Director of the Company. To vote click one of the voting options shown on the platform, thank you.

Again, I'll just take a moment for you to make sure you've located that, and that you've been able to cast your vote.

Item Four on the agenda is the re-election of Ms Lee Ausburn as Non-Executive Director of nib. Lee is considered an Independent Director in accordance with the ASX Corporate Governance Principles and Recommendations 2007. In accordance with the ASX listing rules, and nib's Constitution, Ms Ausburn retires from office at this meeting, and being eligible for re-election, offers herself for re-election as a Non-Executive Director.

The Notice of Meeting provides an overview of Lee's professional experience and service to the Board. I now invite Lee to address the meeting regarding her re-election. Lee.

Lee Ausburn: Thank you, Steve. Good afternoon, ladies and gentlemen. I joined the Board of nib in November 2013, and I'm pleased to be considered for re-election today. I chair the People and Remuneration Committee and am also a member of the Risk and Reputation Committee, and Nomination Committees.



It's been an honour to have worked as a Board member of nib. My career in Executive life and Non-Executive, has been in the health space, an area of increasing complexity and focus in recent times. I'm a Non-Executive Director of ASX listed Australian Pharmaceutical Industries, as I was also until recently of SomnoMed.

Prior to becoming a Non-Executive Director, I had a career in the global pharmaceutical industry leading organisations across the Asia Pacific region. nib's focus on our members and traveller's health, wellbeing, and putting them at the centre of everything we do, has been amplified in recent times. With the creation of our joint venture, Honeysuckle Health, we have the potential to change the way people think about, value, and interact with our healthcare system providing them not only with financial protection, but also with tailored health services.

With the highly talented people at nib, combined with a Board with its depth and mix of skills, I believe we are well positioned to realise our vision. If re-elected I look forward to contributing to your Company's future success. Thank you.

Steve Crane: Thank you, Lee. I think particularly I want to congratulate Lee on her role as Chair of the Remuneration Committee, not ever an easy role to fulfil, and she does a terrific job in making sure that we've got a very fit for purpose approach to remuneration. We get that feedback from our shareholders. The Directors, with Ms. Ausburn abstaining, recommend that you vote in favour of the re-election of Ms. Ausburn as a Non-Executive Director of nib. I will now answer any questions or comments relating to this resolution from the online platform. Ros, any questions?

Roslyn Toms: There are no webcast questions, Chairman.

Steve Crane: No questions from the web. I will now answer any questions or comments relating to this resolution from the telephone lines. Operator, are there any questions?

Operator: There's no further questions at this time.

Steve Crane: Thank you. There being no discussion, I will now reveal the proxies received prior to the meeting in relation to this Resolution, which are now displayed on the platform. As the Chairman of the meeting, I've been appointed proxy by some shareholders to vote on this resolution, and I intend to vote in favour of the resolution detailed in Item Four for proxies open at the Chairman's discretion.

Please note that as this is a Resolution as an ordinary Resolution, more than 50% of votes cast by shareholders are required to be in favour of the Resolution for the Resolution to pass.

I put to a poll the Resolution that Ms. Lee Ausburn be re-elected as a Non-Executive Director of the Company. To vote, click on one of the voting options shown on the platform, thank you.



I'll move to Item Five on the agenda, is the re-election of Ms. Anne Loveridge as a Non-Executive Director of nib. Anne is considered an Independent Director in accordance with the ASX Corporate Governance Principles and Recommendations 2007.

In accordance with the ASX listing rules, and nib's constitution, Ms. Loveridge retires from office at this meeting, and being eligible offers herself for re-election as a Non-Executive Director. The notice of meeting provides an overview of Anne's professional experience and service to the Board. I now invite Anne to address the meeting regarding her re-election, Anne.

Anne Loveridge: Thank you, Steve. Good afternoon everyone and thank you for the opportunity to present myself for re-election as a Non-Executive Director of nib. I've been a member of the nib Board for three and a half years since February 2017. The Notice of Meeting and Annual Report contains details of my skills and professional background.

A 30-year career in financial services as a Senior Partner and Deputy Chairman of PwC, provides me with deep skills and knowledge of financial and regulatory reporting and risk management matters. Extensive experience and understanding of putting customer's interests first and in developing leaders and driving performance, and importantly the skills and experience to analyse, listen, contribute and challenge.

Given the ambition of nib and the required focus of an ASX-listed regulated insurance company, on all these matters my skillset across these areas allows me to contribute widely to the Board activities. To question, challenge and provoke discussion as well as add my own insights across a range of matters.

I have been a Non-Executive Director for the last five years, serving on the Board of nib and two other listed ASX companies, NAB and Platinum Asset Management, which provides me with further perspectives on governance matters. Experience at other companies, thinking about things in different contexts or industries, provide helpful perspectives on the opportunities and challenges many companies and sectors face, particularly healthcare.

I'm familiar with the workload of the Board and the fact that Board members needs capacity to be able to spend more time on the role as required from time to time when additional activities or meetings are required. Over the last three years it's been a pleasure to have been Chairman of nib's Audit Committee in Australia, and of the Audit Risk and Compliance Committee in our New Zealand business, as well as a member of the Risk Committee and of the Investment Committee.

This allows me to directly contribute my professional experience and expertise to the role of interrogating, reviewing and contributing to improving the management of Financial, Risk and Regulatory matters. I'd be honoured to receive your support to continue to serve the shareholders on the nib Board if re-elected, thank you.



Shane Crane: Thank you, Anne, and again I would say as a Director on the Board or I suppose as Chairman, I just again want to congratulate Anne on the role she plays as the Chair of the Audit Committee. I can assure shareholders that she goes about it in a very forensic way, which is exactly what you want.

Her dedication, she's often in - well can't be in New Zealand now, but also has to go to New Zealand for those meetings in the normal course, and again makes a tremendous contribution there, so I just want to thank her for that because it's a big job. So, the Directors with Ms. Loveridge abstaining, recommend that you vote in favour of the re-election of Ms. Loveridge as a Non-Executive Director of nib.

I will now answer any questions or comments relating to this Resolution from the online platform. Ros, any questions?

Roslyn Toms: There are no webcast questions.

Steve Crane: I'll check with the telephone operator, is there any questions on this item?

Operator: No further questions at this time.

Steve Crane: Thank you, there being no discussion, I will now reveal the proxies received prior to the meeting in relation to this Resolution which are now displayed on the platform. As the Chairman of the meeting, I have been appointed proxy by some shareholders to vote on this Resolution, I intend to vote in favour of the Resolution detailed in Item Five for proxies open at the Chairman's discretion.

Please note that as this Resolution is an ordinary Resolution, more than 50% of votes cast by shareholders are required to be in favour of the Resolution for the Resolution to pass. I put to a poll the Resolution that Ms. Anne Loveridge be re-elected as a Non-Executive Director of the Company. To vote, click one of the voting options shown on the platform. Thank you, hopefully we're on top of these things now.

Item Six on the agenda seeks nib shareholder approval for Mr Mark Fitzgibbon, Managing Director and CEO to participate in the Long-Term Incentive Plan, or LTIP, via a grant of Performance Rights in the Financial Year commencing on July 2020, with a four-year vesting period. The LTIP forms part of nib's Remuneration strategy, it's designed to align the interests of the Executives and shareholders and to assist nib in their traction, motivation and retention of Executives.

In particular, the LTIP provides Executives with an incentive for future performance, thereby encouraging those executives to remain and contribute to the future performance of nib. Under the LTIP, eligible persons participating in the LTIP may be granted Performance Rights on terms and conditions determined by the Board from time to time.

A Performance Right is a right to be allocated a share in nib subject to the satisfaction of applicable

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vesting conditions, including the achievement of Board determined performance hurdles. A summary of the LTIP rules which apply to Performance Rights granted to Mr. Fitzgibbon and other KMP from July 2018, is set out in the schedule to the explanatory notes in the notice of meeting.

The Board, with Mr. Fitzgibbon abstaining and not voting, recommends that shareholders vote in favour of the Ordinary Resolution in Item Six. I will now answer any questions or comments relating to this resolution from the online platform. Ros, any questions?

Roslyn Toms: Yes, Chairman. There's a question from Peter Bell from Diversa Trustee, and there's two components to the question. In terms of the award of Performance Rights, can you please explain why you think 100% of Performance Rights should be awarded simply by having earnings in 2024 recover to their 2019 level? Also, given the inherent volatility in investment earnings, is there a reason not to use an underlying EPS measure based on Underlying Operating Profit as a performance metric?

Steve Crane: Okay, well first of all why 2024 return? Well remembering that when - I first of all put this in context and I should thank you first of all for the question, it's very good so I appreciate the question. When the Board sets these targets, obviously this was a little while ago and I think the difficulties of COVID have been that we've really very little idea of where this was going to head over the longer term.

But what we did think was that it was appropriate that having seen the fall in profit we saw this year, which was fairly substantial, and while we remain optimistic about the future, that in reality if we could return to what was a record year last year, and considering that Travel, the component that probably had the biggest impact on our results when you exclude the provision we made around COVID, assuming somewhere in 2021, maybe at the very end of 2021, end of '22, we start to see some normalisation there, that Travel could take longer.

So, it was actually just looking at the circumstances we were in at the time, which we're obviously in a little better position as Australia now but certainly not as the world, and we felt that it was appropriate that it be set to at least achieve or sorry to achieve at the top end, the results that we achieved last year, which was our record year, so that was the philosophy behind it.

Sorry, the second question was about using underlying EPS?

Roslyn Toms: I could read that for you again, Chairman. Given the inherent volatility in investment earnings, is there a reason not to use an underlying EPS measure based on an Underlying Operating Profit as a performance metric?

Steve Crane: Well I think that what we do, EPS for us is our benchmark, and so over time we believe those sorts of things even themselves out, so investment volatility will come and go. So, we've used EPS as our measure. I don't know that I've got any greater insight into that, I don't know whether Lee,



you've got anything you want to add to that?

Lee Ausburn: I don't think EPS, but on Underlying, we do use Underlying in STI.

Steve Crane: For STI, yes. I think we do that as best we can. Okay, any other questions?

Roslyn Toms: There are no further questions.

Steve Crane: Okay, from the telephone line operator, any questions?

Operator: No further questions at this time.

Steve Crane: Thank you, I'll just pause for a minute because I know there's been some criticism in these meetings, and I just want to make sure that the person who asked those questions might want to ask a follow up question. I'll pause for a minute just to make sure that that doesn't happen.

Because I think as Boards, just for the benefit of those shareholders that are still watching, and I think it's probably like watching grass grow, I think that when we get into these formal bits, but there has been, we're all trying to learn about this process and I think there's been some criticism that people don't get the chance to follow up a question in this virtual world, so I'm just taking the time.

Roslyn Toms: Chairman, Peter Bell has responded saying thank you, no further questions.

Steve Crane: Great, well that's good, thank you. All right, there being no further discussion, I'll now reveal the proxies received prior to the meeting in relation to this resolution which are now displayed on the platform. As the Chairman of the meeting, I've been appointed by proxy by some 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 Six.

I would like to note that there are voting exclusions for this Resolution, these exclusions are outlined in detail on Page 2 of the Notice of Meeting and are now displayed on the platform. Again, there's quite a bit really to get through there, but please note this is an ordinary Resolution and more than 50% of votes cast by shareholders are required to be in favour of the Resolution for the Resolution to pass.

I put to a poll the Resolution which is displayed on the platform. To vote, click one of the voting options shown on the platform. Thank you. There being no further discussion, I now declare the poll closed on all Resolutions. So, I'll just give one second there to make sure people feel that they've - because we're about to close all the Resolutions, so just make sure that if you need to make a vote, that you have. As I say we're in the process of making sure we count all votes here, even the late ones.

Okay, here is the result of the poll for People's Choice Vote, if we could put that up on the - well that's actually the Items, there's the Resolutions but I think I need the People's Choice Vote up on the screen, sorry. Still being tallied, look I think they'll have to be posted on our website.



Roslyn Toms: I think it should be up shortly.

Steve Crane: Okay, it was on the screen was it, for the webcast? Okay, thank you. So, well congratulations to each of our three nib foundation charity partners who've shared in that \$40,000 that you our shareholders voted on, in funding to support youth and young adults to be health smart in their everyday lives. Thank you to everyone today at our AGM who voted for a charity.

Now, I'll show you, here are the results for the poll on all Resolutions which have been determined by a full poll, the results showing the combination of those votes cast on the webcast and proxies received prior to the meeting.

Roslyn Toms: We just need to re-open; someone was unable to cast their vote.

Steve Crane: I see, okay well we're sorry, we're just going to - my apologies, as I say this is - we're all learning.

Roslyn Toms: Technology.

Steve Crane: Technology and we're all learning. I'm going to re-open the meeting because a shareholder has contacted us to inform us that they hadn't - didn't have the opportunity to get their vote in. As I say, we do want to make sure that everybody has that opportunity to vote, so I'll just wait for a signal from the support team here that in fact the vote has been made. So, if you just give us a few minutes.

I'm not very good at singing and dancing so I'll just have to stand here for a minute while we wait for the vote to be cast. Should be right now? Should be able to vote now? Okay, well just for those who may have missed voting on Item Six, you should be able to vote now. We've got your vote, thank you, they've actually just seen your vote drop in.

As I say, unfortunately in this environment I can't see that, but thanks very much. So, I will now close the meeting, and now that we've got that final vote, here are the results of the poll on all Resolutions which have been determined by a full poll, showing the combination of the votes cast on the website and on the webcast and proxies received prior to the meeting.

Are we going to show that again or not? 30 seconds, okay, there we are. You've now got the opportunity to see those Resolutions and I declare that all Resolutions carried, and I just want to thank all our shareholders for their strong and continued support. We do appreciate it, and I hope you believe, and I certainly know that as a Board we don't take your support for granted, really we do appreciate it.

Congratulations to David on your election, and Lee and Anne on your re-election. Looking forward to continuing to work with you. Shareholders who've missed any part of today's proceedings and would like to watch the full AGM again at a later time or day can do so by visiting nib's shareholder website,



nib holdings limited
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5 November 2020

nib.com.au/shareholders. A recording of today's meeting will be available shortly from the website.

Ladies and gentlemen, that being the end of all business, I would like to declare the meeting closed and thank you for your attendance via webcast today, thank you.

End of Transcript