

nib Holdings Ltd Employee Prospectus

Dated 11 January 2008

IMPORTANT NOTICE

This Employee Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This Employee Prospectus does not itself contain all the information that is generally required to be set out in a full prospectus but refers to other documents, the information from which is deemed to be incorporated in this Employee Prospectus.

nib Holdings Ltd ABN 51 125 633 856
384 Hunter Street Newcastle NSW 2300

Important information

Disclaimer

Neither ASIC nor ASX takes any responsibility for the contents of this Employee Prospectus or the merits of the investment to which these documents relate. No Shares will be sold or issued on the basis of this Employee Prospectus later than 13 months after the date of this document.

No person is authorised to give any information to or make any representation in connection with the Plan Offer described in this Employee Prospectus. Any information or representation not so contained may not be relied on as having been authorised by nib in connection with the Plan Offer.

Restrictions on distribution

This Plan Offer is available solely to Eligible Employees resident in Australia. The distribution of this Employee Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who obtain this Employee Prospectus should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Employee Prospectus does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation.

THIS IS NOT INVESTMENT ADVICE. YOU SHOULD SEEK YOUR OWN FINANCIAL ADVICE.

The Plan Offer does not take into account the investment objectives, financial situation and particular needs of any person. It is important that you read the entire Employee Prospectus before making any decision to participate in the Plan Offer.

Privacy

The Acceptance Form accompanying this Employee Prospectus requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended).

If you do not provide the information requested of you in the Acceptance Form, CPM may not be able to process your application for Shares or administer your holding of Shares appropriately. Under the Privacy Act 1988 (Cth) (as amended), you may request access to your personal information held by (or on behalf of) nib.

You can request access to your personal information by telephoning or writing to CPM as follows:

Computershare Plan Managers Pty Limited
GPO Box 1501
Sydney NSW 2000
Telephone: 1800 353 654
Fax: (02) 8235 8208

Defined terms and abbreviations

Certain words and expressions used in this Employee Prospectus are defined in section 7 of this document. All financial amounts contained in this Employee Prospectus are expressed in Australian dollars. Unless the context indicates otherwise, a reference to the singular includes the plural and vice versa.

Where you can find more information

You can find information about the Plan Offer by reading this Employee Prospectus (which incorporates the Listing Prospectus), the Rules and the Acceptance Form.

The Rules set out the terms on which Shares will be issued to Eligible Employees. A description of the operation of the Rules is contained in section 5 of this document.

If you have any questions about procedures for investing in nib under the Plan Offer or you would like a copy of the Rules, you should call the nib Employee Share Plan Information Hotline on 1800 353 654 or email CPM (nibshareplans@computershare.com.au).

If you have any questions about whether to participate in the Plan Offer, you should consult a stockbroker, accountant or financial adviser.

How to apply

Acceptance Forms should be submitted online at (www.computershare.com/employee/au/nhf). You will need your surname and employee number (available from payroll or your human resources manager) to log in. If your Acceptance Form is submitted correctly, a confirmation code will be generated and this code will be emailed to you.

Your Acceptance Form must be received by no later than 5.00pm (AEDT) Friday 15 February 2008.

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nib Holdings Ltd Employee Prospectus

1 About this Employee Prospectus

1.1 Purpose of Employee Prospectus

This Employee Prospectus has been prepared by nib in connection with the offer of Shares to Eligible Employees under the Plan.

This Employee Prospectus is a “disclosure document” as defined in Chapter 6D of the Corporations Act. However, the information in this Employee Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Employee Prospectus is dated 11 January 2008 and a copy was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of the Employee Prospectus.

The Company was admitted to the official list of ASX on 5 November 2007 under the code NHF.

The fact that ASX admitted the Company to its official list is not to be taken in any way as an indication of the investment merits of the Company.

1.2 Key dates¹

Date of this Employee Prospectus	11 January 2008
Last day for Acceptance Forms to be received	15 February 2008
Shares allocated	Following the announcement of the results for the end of financial half year ending 31 December 2007 (expected to be on or about 28 February 2008)
Holding statements dispatched	On or about 3 March 2008
Shares allocated under the Plan released from restriction	Subject to the Rules, on or about 28 February 2011

1.3 Summary of information deemed to be incorporated in this Employee Prospectus

This Employee Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. The Employee Prospectus does not contain all the information that is generally required to be set out in a full prospectus, but refers to other documents which have been lodged with ASIC, containing information which is deemed to be incorporated in this Employee Prospectus.

¹ This timetable is indicative only. The Company reserves the right to vary the dates indicated in the timetable.

This Employee Prospectus incorporates the Listing Prospectus lodged by the Company with ASIC on 5 October 2007. The information deemed to be incorporated by reference into this Employee Prospectus is summarised below.

The Listing Prospectus includes the following information:

- (a) a summary of the Board of Directors, key management and corporate governance; and
- (b) additional information including:
 - (i) an overview of nib's employee incentive plans, employee retention and transaction arrangements, voluntary escrow arrangements;
 - (ii) an overview of the Directors' interests, their interests in Shares and information relating to their remuneration; and
 - (iii) information relating to the Overseas Policyholders and Unverified Policyholders Trust Deed and the Settlement Underwriting Agreement.

In addition, the Listing Prospectus included the following documents, which are deemed to be incorporated into this Employee Prospectus:

- (c) Explanatory Statement

The Explanatory Statement was prepared for, and sent to, all Eligible Policyholders and Company Members for the primary purpose of providing Eligible Policyholders and Company Members with the information they needed to decide how to vote on the Proposal to Demutualise.

The Explanatory Statement contains a detailed description of the Proposal and includes the following information:

- (i) the proposed scheme of arrangement between Company Members and nib Health ("**Company Members' Scheme**");
- (ii) the proposed scheme of arrangement between Eligible Policyholders and nib Health ("**Eligible Policyholders' Scheme**");
- (iii) the notices of meeting regarding the Company Members' Scheme, Eligible Policyholders' Scheme and the general meeting of Company Members;
- (iv) recommendation of the Board and reasons underlying the recommendation;
- (v) an overview of the private health insurance industry and nib;
- (vi) financial information;

- (vii) the Investigating Accountant's Report;
- (viii) the Independent Financial Expert's Report;
- (ix) the Appointed Actuary's Report;
- (x) the Consulting Actuary's Report;
- (xi) taxation advice; and
- (xii) additional information including information relating to the constitutions, the Trust, the nib Foundation, regulatory modification and approvals.

All Eligible Policyholders and Company Members should have received a copy of the Explanatory Statement in June 2007. The Explanatory Statement is dated 11 June 2007.

(d) 2007 Annual Report

The 2007 Annual Report was prepared by nib Health in accordance with the relevant laws and accounting requirements for the financial year ended 30 June 2007.

(e) 2008 Financial Forecast Booklet

The 2008 Financial Forecast Booklet was prepared in connection with the Listing of nib on ASX. The 2008 Financial Forecast Booklet sets out financial and risk information relating to nib and contains a financial forecast for the financial year ending 30 June 2008.

(f) The Sale Facility Booklet

The Sale Facility Booklet was prepared in connection with the Listing of nib on ASX and was sent to Eligible Policyholders on 24 September 2007. The Sale Facility Booklet provided information to help Eligible Policyholders decide whether to sell their Shares in the Sale Facility prior to nib Listing on ASX.

(g) Institutional Investor Presentation

The Institutional Investor Presentation was also prepared in connection with the Listing of nib on ASX, and more specifically, in relation to the Institutional Offer. The Institutional Investor Presentation sets out information relating to nib and was produced for the purpose of offering institutional investors Shares pursuant to the Institutional Offer.

Further to the Listing Prospectus, two Supplementary Listing Prospectuses were lodged with ASIC on 19 October 2007 and 30 October 2007.

A copy of these documents are available free of charge electronically from the nib website (nib.com.au) or by calling the nib Employee Share Plan Information Hotline on 1800 353 654.

1.4 Circumstances or matters subsequent to the Listing Prospectus or the Supplementary Listing Prospectuses

Other than the matters stated in this Employee Prospectus and the information previously disclosed to ASX in accordance with the ASX Listing Rules (refer to section 6.1 of this document), the Company is not aware of any material matter or circumstance that would impact on the contents of the Listing Prospectus or Supplementary Prospectuses or the activities and prospects of the Company.

2 Taxation consequences

2.1 Overview

The following broad description of the taxation implications of participating in the Plan is provided as general advice only. It is important that each Employee seeks their own professional taxation advice prior to participating in the Plan, as each person's circumstances and investment approach will differ, and the taxation rules are complex.

The value of the Shares received under the Plan will be included in the Employee's personal income tax return as explained below. At present, the Shares received should be considered 'qualifying shares'. This means that the Employee has to make a choice regarding how they want to treat these Shares for taxation purposes. An Employee may elect to either pay tax up-front or defer the payment of their tax.

(a) Pay tax up-front

An election is made for the market value of the Shares received to be included as income in the tax return in the year the Shares are acquired. Only the market value exceeding \$1,000 is included as income.

The Employee Prospectus indicates that each Employee will be allocated Shares to a maximum market value of \$1,000. The election and \$1,000 reduction would mean that no amount should need to be included as taxable income of the Employee.

A subsequent sale of the Shares will use the market value of the Shares received as the cost base for the Shares. A capital gain will be recognised where the sale proceeds exceed this cost base. A 50% capital gains tax ("CGT") discount should be available to reduce this capital gain where the shares are sold more than 12 months after they were acquired. A capital loss will arise where the sale proceeds are less than the cost base.

(b) Defer tax

Recognition of income is deferred until a 'cessation time', which is the earlier of:

- disposal of the Shares;

- 10 years from acquisition;
- ceasing employment; and
- ceasing restriction on disposal.

When a cessation time event occurs, an amount is recognised as income, whether or not the Shares have been sold. Where the Shares are sold within 30 days of the cessation event then the income to be included in the tax return is the sale proceeds of the sale. This is not considered a capital gain, and no CGT discount is available. Where the Shares are retained after a cessation event, then the income to be included in the tax return is the market value of the Shares at that time (not the value of the shares originally received). Any subsequent sale of the Shares would use that value as the cost base of the Shares for capital gains tax purposes. A 50% CGT discount may be available where a gain is made on the subsequent sale if the sale occurs 12 months or more after the cessation event.

The \$1,000 reduction is only available when the election to recognise income up front is made. It is unlikely that there will be circumstances when deferring recognition of the tax will result in a better tax outcome for Employees.

Any dividends received on the Shares will be included in the assessable income of the Employee in the year in which they are received. The amount recognised will be increased by any franking credits attached to the dividend. Australian resident individuals in receipt of franked dividends are entitled to claim a tax offset against their income tax liability equal to the amount of the franking credit.

3 Details of the Plan

3.1 Introduction

The main features of the Plan are set out in section 5 of this Employee Prospectus.

The Plan has been launched to encourage a link between employment and ownership through the financial participation of Eligible Employees. It is a motivational means of improving nib's performance while recognising Employee participation and contribution.

The Board recognises the important role Employees have in delivering nib's performance and would like to offer Eligible Employees the opportunity to become a nib security holder (or if the Eligible Employee is already a nib security holder, the opportunity to acquire more Shares) and participate in nib's earnings and future prospects.

3.2 The Plan Offer

The Rules provide for nib to allocate to each Eligible Employee Shares having an aggregate market value of up to \$1,000.

In respect of the 2008 financial year grant, one level of grant (being a \$1,000 parcel of Shares) will be made to each Eligible Employee for no payment by the Eligible Employee.

3.3 How to participate in the Plan Offer

To participate in the Plan Offer you must complete and submit the Acceptance Form.

3.4 Make an informed decision about participation

A decision about participation in the Plan Offer is a very important one and should be made on a fully informed basis. You should read the Employee Prospectus carefully before applying for Shares under the Plan Offer. If you do not understand any material contained in the Employee Prospectus or you have any queries or concerns about applying for Shares you should get independent advice from a stockbroker, accountant or financial adviser before completing and submitting your Acceptance Form.

3.5 Allocation

nib expects to allocate Shares under the Plan Offer following the date of the announcement of the financial results for the period ended 31 December 2007. The announcement is expected to be made on or about 28 February 2008. Shares will be acquired on-market and allocated on or about three to five days following the results announcement.

3.6 ASX Listing

The Company was granted admission to the official list of ASX and its Shares were officially quoted on ASX on Monday 5 November 2007.

4 Questions and Answers

Why is nib offering Shares under the Plan?

nib recognises the hard work of Eligible Employees and the contribution they have made to nib's success to date, including the Listing of nib on ASX. The commitment and efforts of nib Employees are instrumental in nib becoming one of Australia's leading health insurers.

Employee share ownership is also an important part of motivating Employees and encouraging them to pursue the objectives of nib.

Who can participate in the Plan Offer?

All Employees who are employed by nib or any of its subsidiaries or controlled entities as a permanent full time Employee or permanent part time Employee will be eligible to participate in the Plan. In addition, for this Plan Offer only, any casual Employee who has completed more than three years continuous service with nib or any of its subsidiaries or controlled entities will also be eligible to participate in the Plan. The Directors have resolved to exclude Employees who have received a transaction bonus or are eligible to

receive a transaction bonus, as outlined in section 4.2 of the Listing Prospectus, from participating in the Plan.

If you apply for Shares in response to this invitation, you need to have been an Employee of nib or any of its subsidiaries or controlled entities as at each of the following dates to be eligible to participate:

- (a) if you are a permanent full time or permanent part time Employee, as at 11 January 2008;
- (b) if you are a casual Employee, you must have been an Employee as at 11 January 2005 and continue to be an Employee as at 11 January 2008; and
- (c) as at the date Shares are allocated to Employees.

An Employee only has a right to participate in the Plan where the Board makes an invitation to participate to the Employee and the Employee makes an application for participation. The time for acceptance of the Employee's application for Shares will be when the Shares are allocated to the employee. No Employee has an automatic right to participate in the Plan.

Will casual Employees be eligible to participate in the Plan in future years?

Although casual Employees who have completed more than three years continuous service with nib or any of its subsidiaries or controlled entities will be eligible to participate in the Plan under this Plan Offer, casual Employees will not be eligible to participate in the Plan in future years.

Do you have to participate in the Plan?

No. Participation in this Plan is voluntary. Each Employee is free to decide whether or not to accept the offer of Shares. However, if you decide to participate, you must accept all the Shares covered by the Plan Offer to you. You may not accept only some of the Shares covered by the Plan Offer and reject the rest.

How many Shares will I receive?

You will be allocated an aggregate market value of up to \$1,000 worth of Shares.

Can Shares be issued in someone else's name, such as a family member or a trust?

No. Shares can only be issued to an Eligible Employee. Shares can only be transferred with the Board's written consent.

Can I sell my Shares?

Shares registered in the Participant's name pursuant to the Plan Offer can only be sold after the earlier of:

- (a) the end of the period three years after the acquisition of the Shares; or

- (b) the time when the Eligible Employee is no longer employed by any of:
 - (i) a company in the nib Group; and
 - (ii) the company which employed the Participant at the date the Shares were acquired by the Participant, whether or not that company is still in the nib Group.

Do I have to pay for Shares under the Plan Offer?

No. Shares are being offered under the Plan Offer at no cost to you.

Will I receive dividends?

You have the right to receive dividends paid on Shares and to participate in bonus and rights issues.

Can I vote at meetings of the Company?

Yes. You have the same voting rights as any other shareholder (please refer to section 5.5 of this document).

What are the tax implications?

Section 2 outlines key taxation issues and discusses tax implications of the Plan. However, the tax consequences of participation in the Plan Offer can vary depending on your personal situation. While the Employee Prospectus sets out general concepts to assist you, it is important that you obtain independent tax advice in relation to your particular circumstances.

Are there any risks in owning these Shares?

There are risks in all investments. However, under this Plan, the Company provides the fully paid Shares to you for no cash payment by you. You will not be required to invest any of your own money in these Shares.

Is my privacy protected?

Yes. At nib we respect your privacy. Any information you give us will be used only for the administration and registration of Shares issued under the Plan by the companies and people responsible for those activities, including the Company, the Registry and CPM. We may disclose your personal information to these entities for this purpose and to any of our service providers including mail houses and professional advisers for our administration purposes, or if required or authorised by law or if you consent to disclosure.

You may have the right under the Privacy Act 1988 (Cth) to request information relating to your privacy rights or information about you held by an entity involved in the Plan. Please contact the nib Employee Share Plan Information Hotline on 1800 353 654 if you have any privacy concerns or wish to access or change any of your personal details.

5 Employee Share Acquisition (Tax Exempt) Plan

5.1 Overview

The Plan is a general employee share plan pursuant to which grants of Shares may be offered to Eligible Employees on terms and conditions as determined by the Board from time to time.

As outlined in section 4.1 of the Listing Prospectus, Shares up to the value of \$1,000 will be offered free to Eligible Employees under the Plan Offer for the first year of Listing of nib. It is likely, in subsequent years, at the election of the Eligible Employee, the Plan will be an offer involving a salary sacrifice arrangement.

5.2 Administration by the Board

The Plan will be administered by the Board in accordance with the Rules.

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan. The suspension or cancellation of the Plan must not prejudice the existing rights (if any) of Participants under the Plan.

The decision of the Board as to the interpretation, effect or application of the Rules is final and conclusive.

5.3 Invitation to participate

The Board may invite any Employee to apply for Shares on terms and conditions as determined by the Board.

5.4 Application for Shares

To obtain Shares under the Plan an Employee who has received an invitation must make an application in the manner specified in that invitation and in accordance with the Rules.

By making an application for Shares, the Employee agrees to be bound by the Rules and the Constitution.

An application will not be accepted if, at the date the Shares would otherwise be granted:

- (a) the applicant is not an Eligible Employee;
- (b) the applicant has given notice of their resignation as an Employee; or
- (c) the applicant has been given notice of dismissal from employment as an Employee or if, in the opinion of the Board, he or she has tendered his or her resignation to avoid such dismissal.

The Board may determine that an application by an Eligible Employee who would otherwise be eligible to acquire Shares will not be accepted.

5.5 Nature of Shares

Shares transferred and registered in the Participant's name in accordance with the Plan Offer are fully paid ordinary Shares containing the same voting rights as those attached to all other Shares in nib - one vote per share.

Participants will have the same rights as other nib shareholders and will be able to receive dividends on their Shares and vote at nib shareholder meetings.

5.6 Restrictions on dealing in Shares

In accordance with the Rules, Participants will be subject to restrictions on the Shares they receive under the Plan Offer for a specified time. Participants will not be allowed to sell, assign, transfer, or otherwise deal with Shares they receive under the Plan Offer until the earlier of:

- (a) the end of the period three years after the acquisition of the Shares; or
- (b) the time when the Participant is no longer employed by any of:
 - (i) a company in the nib Group; or
 - (ii) the company which employed the Participant at the date the Shares were acquired by the Participant, whether or not that company is still in the nib Group.

The restriction is placed on the Participant's Shares so as to comply with Division 13A of the Income Tax Assessment Act (Cth) which allows Participants to make an election to seek an exemption from taxation in relation to Shares acquired under the Plan Offer. For further information, please refer to section 2 - Taxation consequences.

6 Additional information

6.1 Continuous disclosure

nib is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a Listed company, nib is subject to the ASX Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain has not been reported in this Employee Prospectus other than that which is considered necessary to make this Employee Prospectus complete. All relevant documents are available free of charge at the nib website (www.nib.com.au) or from the ASX website (www.asx.com.au). The Company will provide free of charge to any Eligible Employee on request during the application period in relation to this Employee Prospectus a copy of any requested documents used to notify ASX of information relating to the Company that has been disclosed in accordance with the ASX Listing Rules.

In addition, copies of documents lodged with ASIC by the Company may be obtained from, or inspected at an ASIC office. This includes the Listing Prospectus.

6.2 Interests of Directors

Except as set out in section 4.4 of the Listing Prospectus:

- (a) no Director or proposed Director of nib has at the date of this Employee Prospectus, or has had within two years before the date of this Employee Prospectus, an interest in the formation or promotion of nib or any property acquired or proposed to be acquired by nib in connection with its formation or promotion; and
- (b) no amount has been paid or agreed to be paid, by any person to any Director or proposed Director or to any entity in which a Director or proposed Director is a member or partner, either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them or by the entity in connection with the promotion or information of nib.

6.3 Shareholdings

The number of Shares that the Directors currently hold is as follows:

- (a) Keith Lynch - 3,001 Shares;
- (b) Mark Fitzgibbon - 252,601 Shares;
- (c) Harold Bentley - 50,000 Shares held by Sushi Sake Pty Ltd (Harold Bentley is a director of Sushi Sake Pty Ltd);
- (d) Dr Annette Carruthers - 1,000 Shares and 20,000 Shares held by Carruthers Future Fund Pty Ltd (Annette Carruthers is a director of Carruthers Future Fund Pty Ltd);
- (e) Janet Dore - 500 Shares; and
- (f) Philip Gardner - 3,600 Shares.

6.4 Other nib Share Plans

(a) Long Term Incentive Plan

As set out in section 4.1 of the Listing Prospectus, nib has established the LTIP which forms part of nib's remuneration strategy. The LTIP is designed to align the interests of executives and shareholders, and to assist in the attraction, motivation and retention of executives. The LTIP will provide relevant executives with an incentive for future performance, thereby encouraging those executives to remain with nib and contribute to the future performance of nib.

Under the LTIP, eligible persons participating in the LTIP may be granted options and/or performance rights on terms and conditions determined by the Board from time to time. An option and a

performance right are both rights to acquire a Share, subject to the satisfaction of applicable vesting and/or exercise conditions. The main difference between an option and a performance right is that an exercise price as determined by the Board is usually required to be paid to exercise a vested option, whereas a performance right has a nil exercise price unless otherwise determined by the Board.

(b) Non-Executive Director Share Plan

As set out in section 4.6 of the Listing Prospectus, the Board has determined that its Non-Executive Directors receive a portion of their annual Directors' fees in the form of Shares. The Board has resolved that Non-Executive Directors will receive a minimum of 20% of their Directors' fees in the form of Shares allocated under the NEDSAP.² nib has introduced the NEDSAP to encourage Non-Executive Director share ownership to align the interests of Non-Executive Directors and shareholders. Non-Executive Directors may express a preference to receive up to 90% of their annual Directors' fee in the form of Shares under the NEDSAP.

nib believes the NEDSAP is beneficial as it has been designed to encourage long term Non-Executive Director commitment and to share the success of the organisation with Non-Executive Directors, giving Non-Executive Directors a shareholder's perspective of nib's performance and return to shareholders.

It is expected that nib will purchase the Shares on market with the number of Shares allocated under the NEDSAP being determined on the basis of the volume weighted average price of Shares on ASX for the five trading days up to and including the relevant Allocation Date. The volume weighted average price may be above or below current or future market prices.

Non-Executive Directors who acquire Shares under the NEDSAP may not sell, transfer, or dispose of any Shares acquired under the NEDSAP for a period of ten years from the date that the Shares are allocated to Non-Executive Directors, except in certain circumstances that are set out in the rules of the NEDSAP.

6.5 Interests of experts

Except as set out in section 4.10 of the Listing Prospectus, no expert, or any firm in which an expert is a partner, has or has had any interest in the promotion of nib, or in any property proposed to be acquired by nib, within the last two years.

6.6 Consents to be named

The following parties have given, and have not before the lodgement of this Employee Prospectus with ASIC withdrawn, their written consent to being

² If Non-Executive Directors have purchased Shares independently of the NEDSAP, the Board has resolved that such purchases will be counted on a cumulative basis towards meeting the minimum 20% requirement.

named in this Employee Prospectus in the form and context in which they are named:

Auditor

PricewaterhouseCoopers

Taxation adviser

PricewaterhouseCoopers

Legal adviser

Mallesons Stephen Jaques

Registry

Computershare Investor Services Pty Limited

Plan Managers

Computershare Plan Managers Pty Limited

6.7 Disclaimer of responsibility

Each of the persons named in section 6.6:

- (a) has not authorised or caused the issue of this Employee Prospectus; and
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, and makes no representation regarding, and takes no responsibility for, any statements or material in, or omissions from, any part of this Employee Prospectus, other than the reference to its name and a statement(s) and/or report(s) (if any) included in this Employee Prospectus with the consent of that person as specified.

6.8 Documents available for inspection

Copies of the Rules are available for inspection at nib's registered office at 384 Hunter Street, Newcastle, NSW, can be viewed and downloaded from the nib intranet or are available on request from the nib Employee Share Plan Information Hotline on 1800 353 654.

6.9 Consents to lodgment

Each Director has consented to the lodgment of this Employee Prospectus with ASIC as required by section 720 of the Corporations Act.

7 Definitions

Acceptance Form means the application form to apply for Shares.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691), Australian Securities Exchange or the Australian Stock Exchange as appropriate.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of directors of nib from time to time.

Company / nib means nib Holdings Ltd (ABN 51 125 633 856).

Company Member means former company members of nib Health.

Constitution means the constitution of the Company, as amended or replaced from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

CPM means Computershare Plan Managers Pty Limited (ABN 56 084 591 131).

Demutualise / Demutualisation means the process by which nib converted from a company limited by guarantee to a company limited by shares and from a not-for-profit to a for-profit company.

Directors means directors of nib from time to time.

Eligible Employee means an Employee to whom an offer has been made by nib to participate in the Plan.

Eligible Policyholder(s) has the same meaning given in section 8 of the Explanatory Statement.

Employee means an employee of a member of the nib Group.

Employee Prospectus means this prospectus, for the offer of Shares in nib to Eligible Employees under the Plan.

Explanatory Statement means the Explanatory Statement prepared by nib Health dated 11 June 2007.

Institutional Investor Presentation means the presentation given by nib to institutional investors.

Institutional Offer means the offer by which institutions were invited to bid for Shares as part of the Listing.

Listing / List(s) / Listed means the process of nib being included on the official list of ASX and having its Shares granted official quotation by ASX.

Listing Prospectus means the prospectus dated 5 October 2007, prepared by nib in connection with its initial public offering and Listing and the official quotation of its Shares on ASX. Where appropriate, Listing Prospectus also includes the Supplementary Prospectuses.

LTIP means the nib Long Term Incentive Plan.

NEDSAP means the Non-Executive Director Share Acquisition Plan.

nib Group means the Company and each subsidiary of the Company under Division 6 of Part 1.2 of the Corporations Act.

nib Health means nib Health Funds Ltd (ABN 83 000 124 381).

nib Employee Share Plan Information Hotline means 1800 353 654.

Non-Executive Director means a non-executive Director of nib.

Participant means an Eligible Employee who holds Shares and includes a legal personal representative of the person.

Plan means the nib Employee Share Acquisition (Tax Exempt) Plan established and operated in accordance with the Rules.

Plan Offer means the offer of Shares to an Employee under this Employee Prospectus.

Proposal / Proposal to Demutualise means the proposal to demutualise nib as outlined in the Explanatory Statement (which was effected on 1 October 2007) and the subsequent Listing.

Registry means Computershare Investor Services Pty Limited.

Rules mean the rules of the Plan (as amended from time to time).

Sale Facility Booklet means the booklet dated 24 September 2007 sent to Eligible Policyholders providing information to help them decide whether to sell their Shares in the Sale Facility prior to nib Listing on ASX or to hold their Shares when nib Lists.

Sale Facility means the facility whereby Shareholders can sell Shares at Listing as set out in the Sale Facility Booklet.

Share means a fully paid ordinary share in the capital of nib.

Supplementary Listing Prospectuses means the Supplementary Listing Prospectuses dated 19 October 2007 and 30 October 2007 prepared by nib in connection with its initial public offering and Listing and the official quotation of its Shares on ASX.

Trust means the Overseas Policyholders and Unverified Policyholders Trust.

2007 Annual Report means the annual report of nib Health for the financial year ended 30 June 2007.

2008 Financial Forecast Booklet means the booklet containing the financial forecasts of nib for the financial year ending 30 June 2008 and the discussion of risk factors concerning nib.