

# **Investment Committee Charter**

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

**Dated 27 February 2018**

# Investment Committee Charter

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## 1 Background and Purpose

### 1.1 nib Group

The nib Group (“**nib Group**” or “**nib**”) is comprised of nib holdings limited ABN 51 125 633 856 and its subsidiary companies worldwide.

### 1.2 Board Committees

The Board of nib holdings limited has established the following Board Committees to provide oversight, recommendations, and guidance to the Board in accordance with the Charter for each Committee. These responsibilities complement each other and collectively provide governance over the material risks of the group.

<b>Committee</b>	<b>Purpose</b>
Audit Committee	Assists and makes recommendations to the Board on: <ul style="list-style-type: none"><li>• nib’s external audit function and the adequacy of nib’s corporate reporting processes;</li><li>• the integrity of nib’s financial statements and other material regulatory documents;</li><li>• the competency, fees, independence and quality of services provided by nib’s Appointed Actuary;</li><li>• nib’s systems and procedures for compliance with applicable legal and regulatory requirements (other than those monitored by the Risk and Reputation Committee);</li><li>• monitoring solvency and compliance with nib’s Capital Management Plan; and</li><li>• the propriety of related party transactions.</li></ul>
Risk and Reputation Committee	Assists and makes recommendations to the Board on: <ul style="list-style-type: none"><li>• nib’s internal audit function, the appropriateness of risk policy, risk management strategy and risk management framework;</li><li>• the effectiveness of nib’s risk management framework;</li><li>• identification and assessment of material risks;</li><li>• the social, environmental and ethical impacts of nib’s business practices and recommending standards for social, environmental and ethical practices; and</li></ul>

	<ul style="list-style-type: none"> <li>nib's Environmental, Social, Governance (ESG) recommendations and reporting.</li> </ul>
Nomination Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>director selection and appointment practices;</li> <li>director performance evaluation processes and criteria;</li> <li>Board composition; and</li> <li>Succession planning for the Board.</li> </ul>
People and Remuneration Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>remuneration strategy, policies and practices for the Board, the CEO, senior executives, chairman, and non-executive directors.</li> <li>reviewing the nib Group's compliance with the nib Diversity Policy;</li> <li>reviewing the human resources strategy, succession planning processes, engagement survey; and</li> <li>monitoring employee engagement and culture.</li> </ul>
Investment Committee	<p>Assists and makes recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>investment strategy and investment risk management;</li> <li>investment performance and outlook;</li> <li>compliance with the investment component of nib's Capital Management Plan;</li> <li>compliance with the gearing component of nib's Capital Management Plan;</li> <li>external group borrowings;</li> <li>compliance with debt covenants; and</li> <li>undertaking special projects delegated by the Board.</li> </ul>

### 1.3 Authority

The Investment Committee has the authority and power to exercise the responsibilities set out in this Charter, and in accordance with any separate delegations of the Board of nib granted from time to time. In carrying out its role the Investment Committee acts as Investment Committee of nib holdings limited and all related entities within the nib Group, and must have regard to the individual requirements of each entity as well as the overall requirements of the nib Group.

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## **2 Role of the Committee**

The Committee is to assist the Board oversee the investment activities of nib by reviewing and making recommendations to the Board on:

- (a) Investment strategy, including;
  - (i) Allocations to asset classes in the light of economic and investment market conditions, the liabilities the assets will be backing, and currency exposures;
  - (ii) Selection and appointment of external investment advisors and asset managers; and
  - (iii) Selection of performance benchmarks and investment mandates.
- (b) Investment performance and outlook;
- (c) Compliance with the investment component of nib's Capital Management Plan, and to the extent relevant, the investment component of the Capital Management Plan of any individual entity within the nib Group, and the investment policy statement of nib and any individual entity within the nib Group;
- (d) Compliance with the gearing component of nib's Capital Management Plan, and to the extent relevant, the gearing component of the Capital Management Plan of any individual entity within the nib Group;
- (e) External Group Borrowings including choice of debt or capital instrument, currency, lender(s), duration and terms and conditions;
- (f) Compliance with debt covenants and other relevant terms and conditions of external group borrowings; and
- (g) Undertaking of any special projects delegated by the Board or deemed necessary by the Committee.

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## **3 Membership**

### **3.1 Composition and size**

The Committee will consist of at least two members, and:

- (a) all members must be non-executive directors; and
- (b) a majority of members must be independent directors.

### **3.2 Chairman**

- (a) The chairman of the Committee is appointed by the Board, and must be an independent non-executive director who is not the chairman of the Board.

- (b) Where the Committee chairman is not present at a meeting, the Committee may elect a chairman for the meeting.

### **3.3 Technical expertise**

The Committee must be structured so that:

- (a) all members are financially literate, that is, are able to read and understand financial statements;
- (b) at least one member has relevant qualifications and experience, that is, is an accountant or financial professional with experience of financial and accounting matters; and
- (c) some members have an understanding of the industry in which the Company operates.

### **3.4 Commitment of Committee members**

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

### **3.5 Secretary**

The company secretary or their nominee is the secretary of the Committee.

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## **4 Committee meetings and processes**

### **4.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions in nib's Constitution in so far as they are applicable and not inconsistent with this charter.

The Committee will meet at least quarterly, or more often as appropriate to undertake its role effectively.

The chairman must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor, or the chairman of the Board.

### **4.2 Quorum**

Two directors constitute a quorum for meetings of the Committee.

### **4.3 Access to information and advisors**

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access nib's documents and records, and any information that the Committee deems appropriate for the performance of its functions;
- (c) at the expense of nib, obtain the advice of special or independent counsel, accountants or other experts; and

- (d) access management and fund managers, custodians, asset managers and any other service providers engaged by nib or its related entities.

#### **4.4 Minutes**

The secretary will keep minute books to record the proceedings and resolutions of the Committee's meetings.

#### **4.5 Reporting to the Board**

The Committee will:

- (a) make available copies of its minutes to the Board;
- (b) through the Committee chairman, provide updates and make recommendations to the Board on matters that are within the scope of its roles and responsibilities; and
- (c) promptly bring to the Board's attention any material matters that may impact the financial condition or affairs of nib.

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### **5 Committee's performance evaluation**

The Committee will review its performance annually, including whether it is performing effectively and has met the terms of its charter. The Committee will provide a report on the outcomes of this review to the Board.

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

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### **6 Review and publication of charter**

The Board will review this charter at least annually to ensure it remains relevant to the current needs of nib and regulatory requirements, and whenever there are significant changes to the operations, scale, or management structure of nib. The charter may be amended by resolution of the Board.

The charter is available on the nib website at [www.nib.com.au](http://www.nib.com.au).

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### **7 Access and attendance**

#### **7.1 Access**

The Committee will have unfettered access to the following:

- (a) the Chief Executive Officer; and
- (b) senior management.

Any Committee member that wishes to have access to any of the above persons will arrange that access through the chairman of the Committee.

#### **7.2 Attendance**

The following persons are invited to attend each meeting of the Committee, except for non-executive director sessions unless invited by the Committee, and to have unfettered access to the Committee (usually via the chairman):

- (a) the Chief Executive Officer;
- (b) the Chief Financial Officer;
- (c) any other executives as invited from time to time by chairman.

**Approved by the Board with effect on 27 February 2018**